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## NEWS SUMMARY

GENERAL BUSINESS

### Israeli frogmen 'blast ship'

Israeli frogmen were said to be responsible for placing underwater explosives on a Lebanese-owned freighter and sinking it at anchor off Tyre, Lebanon.

Israeli gunboats were said to have been steaming off the coast just before the blast hit the Tareq, which was unladen. There were no reports of casualties.

Reconnaissance flights over the south Lebanese coast were maintained by Israeli jets, and in Geneva the International Committee of the Red Cross said it was investigating a complaint that Israel had used strangelike weapons against Palestinians in southern Lebanon.

### Crash pilot dies to save school

The pilot of a crashing U.S. jet fighter died at the controls, instead of ejecting, to save a Yorkshire village and 55 primary school pupils.

The blazing aircraft passed the school with only 30 yards to spare and crashed in the only open space in the North Yorkshire moors village of Lealholm. The navigator was also killed.

### Rhodesia debate

UN Security Council met last night after African nations demanded an urgent meeting to debate the Rhodesian elections which the 15-nation body has already declared null and void. African members want the decision reaffirmed, and economic sanctions maintained.

### Embassy incident

Russian-speaking Mao brandishing two pistols was inside the U.S. Embassy in Moscow last night surrounded by Soviet police and plainclothes men. There were reports of gunfire inside the embassy.

### Rocket tests ban

Zaire Government will order the West German company Otrag to halt its rocket tests in southern Zaire. Page 2

### Brezhnev doubts

Doubts about the health of Soviet leader Leonid Brezhnev have arisen during the official visit which French President Giscard d'Estaing is making to the Soviet Union. Page 2

### SWAPO arrests

Police arrested 31 officials and members of the SWAPO nationalist movement in a clamp-down on the organisation throughout South-West Africa (Namibia).

### Khomeini 'tired'

Ayatollah Khomeini, aged 78, Iran's unofficial head of state, has cancelled all public engagements next week because of tiredness.

### Brothers named

Police named two brothers they want to interview in connection with the terrorist-style murder of Surrey engineer John George, John Richards, aged 22, and Jason, aged 20, described as antique dealers, might be in Spain, police said.

### Briefly

Three Madrid policemen and a passer-by were injured when a bomb exploded in an abandoned building next to a police station.

Lisa Dean, aged eight, injured when a television set dropped 60 feet from a tower block 19 days ago, died in Sheffield.

Two elderly sisters were injured when their car went through railings at a Bournemouth multi-storey car park and plunged 40 feet into gardens.

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Executives 12pc 1998 £101 + 1	Wolverhampton & Dudley 298 + 4
BAC Intl. 78 + 34	York Trailer 80 + 4
Brook Prop. 465 + 15	LASMO 180 + 15
Brooks Group 137 + 15	Shell Transport 790 + 12
Club 166 + 4	Tricentrol 230 + 8
Covpex 150 + 7	Castlefield 348 + 18
Harrison A. 865 + 15	Inch Kenneth 155 + 12
Harrison (T.C.) 182 + 7	FALLS
Imry 710 + 50	Hestair 55 - 6
Mosa Bros. 260 + 3	Lockwoods 106 - 6
P. & O. Dtd. 88 + 3	Sheffield Brick 58 - 4
Towles 203 + 10	Vickers 198 - 6
Utd. Carriers 122 + 6	Wharman Reeve 256 - 8
	Angel

## Thatcher may hold referendum on union law reforms

BY RICHARD EVANS, LOBBY EDITOR

Mrs. Margaret Thatcher plans to hold a referendum on proposed changes in industrial relations legislation should the Conservatives gain power and continue to face implacable trade union hostility to reform.

The purpose of the referendum would be to gain such overwhelming support for changes in the law which Conservative leaders believe to be responsible for the industrial and political position which would be much more difficult to mount.

If the Conservatives win the election, the danger they now foresee—particularly in the light of the latest opinion poll which cuts their lead to a slender 3 per cent—is that their parliamentary majority might be insufficient to push ahead effectively with their controversial reforms.

The intention of Mrs. Thatcher and Mr. James Prior, expected to be the Conservative Employment Secretary, is to introduce the proposed reforms on picketing, the closed shop and secret union ballots, as early as possible in the new Parliament following consultations with both sides of industry.

But there would almost certainly be fierce political protests from a Labour Opposition, an outcry from the trade unions and possibly industrial action to warn the Conservatives off.

A referendum on the proposals, it is argued, would neutralise this if the majority was sufficiently impressive, and isolate active opposition in the more militant elements.

The plan will depend on the size of any Conservative election victory and on the composition of a Tory Cabinet. Some Shadow Ministers are worried about the constitutional implications of the referendum procedure and the harmful effects it could have on the authority of Parliament.

But the key element would be the attitude of Mrs. Thatcher, who is determined to press ahead fast with the major elements of the Conservative manifesto, particularly trade union reform.

She is known to favour the referendum principle in limited cases and the latest indication is that she sees it as the best and possibly the only method of ensuring the trade union reform she regards as vital to the success of her general economic strategy.

With hindsight Mrs. Thatcher believes the Health Government should have introduced a referendum at the time of the confrontation with the miners in 1973-74.

The latest poll, by Market and Opinion Research International (MORI), in the Daily Express today gives the Conservatives 44 points, Labour 41 and the Liberals 12. This compares with a Conservative lead

## Teachers harden resolve on ban

By Michael Dixon, Education Correspondent

AT LEAST a week of school disruption by both of the biggest teachers' unions was ensured in London yesterday following Government intervention to halt negotiations on the overdue pay increase for 482,000 schoolteachers in England and Wales.

Angry members of the local education authorities' and unions' panels of the Burham negotiating committee prepared protests to Mrs. Shirley Williams, Secretary for Education and Science, after she had effectively forced the suspension of the protracted talks until after the General Election.

The consequent delay of two to three weeks will cause schoolchildren to suffer from the strict five-hour day, to be worked from May 8 by the 112,000-member National Association of Schoolmasters and Union of Women Teachers, as well as from the "withdrawal of goodwill" by the 258,000-member National Union of Teachers, already in force in some areas.

The NUT—which has an absolute majority on the unions' panel of Burham—said members would now "fervently and enthusiastically" support the ban on the supervision of lunch breaks or after-hours activities, and on the use of private cars for work purposes.

The union's executive later decided to hasten its action by giving local education authorities only 24 hours, instead of three days, notice before withdrawing goodwill from their schools.

Unlike the NUT's action, the five-hour day threatened by the NAS-UTW is intended to strike directly at classroom work and the impending school-leaving examinations.

While the restriction seems almost certain to affect lessons the effect on exams will probably be less severe than has been feared.

Most preparatory teaching of candidates will have been completed by May 8, and use of external invigilators for exam sessions should confine the effects of the five-hour day largely to practical tests in science and craft subjects.

Continued on Back Page

## Exxon fears winter crisis on crude oil

BY KEVIN DONE, ENERGY CORRESPONDENT IN NEW YORK

WORLD CRUDE oil supplies could fall between 1.5m and 2m barrels a day short of demand for at least the next 12 months unless conservation efforts are sharply increased, Exxon, the biggest U.S. oil company, said yesterday.

Spot shortages had already developed in several countries for products such as petrol, heating oil, jet fuel and naphtha. The shortages could become more serious next winter if oil industry stocks were not rebuilt during the summer.

Mr. Bruce Sachs, executive vice-president of Exxon International, the company's crude oil trading arm, said yesterday that oil companies were not taking the threat to supplies sufficiently seriously.

The present shortfall in crude oil supplies was not being fully reflected in cuts in product deliveries to consumers, which meant that stocks could not be rebuilt adequately.

The world oil industry's "workable inventory" of crude, which forms the cushion against short-term drops in supply is now two-thirds below normal levels. From the beginning of January, Stock levels fell from 600m barrels to 100m barrels compared with a normal fall during the winter from 600m barrels to 300m barrels.

Stocks have been drawn down throughout the industrialised world to meet the loss of production from Iran. Since exports started from Iran again in March, production has been cut-back in some other producing countries, notably Saudi Arabia and Kuwait.

Exxon is likely to step-up its cuts in crude oil deliveries to subsidiary and third party customers in the second quarter from about 10 to 12 per cent.

Exxon is allocating its crude deliveries on the basis of a restoration of stocks to normal levels by October 1.

If similar steps were not taken by all other oil companies, said Mr. Sachs, factories could shut for lack of fuel and homes could be without heating oil next winter in many parts of the Western world.

The sharp rise in oil prices since the beginning of the year—OPEC crude has gone up by an average of 24 per cent since the end of last year—is hitting developing countries especially hard. Twenty countries in Central America and the Caribbean have seen oil import bills jump by up to 80 per cent, taking into account rises in product prices.

Some members of the International Energy Agency, the grouping of the main oil-consuming countries, have applied for a selective triggering of the IEA's emergency sharing scheme in response to a shortage of particular products.

The IEA needs a 7 per cent fall in crude oil deliveries to trigger the general sharing scheme, but selective applications from Greece and New Zealand are thought to be under consideration by the Agency's committee on emergency questions.

Exxon is sceptical about the success to date of conservation measures announced by IEA countries. These are intended to cut demand by 5 per cent this year.

Iran's oil hopes rise Page 2

## Charterhouse leads move to foil bid for SUITS

BY JAMES BARTHOLOMEW

A SYNDICATE of eight institutional investors has offered £5.6m for the 9 per cent stake in Scottish and Universal Investments (SUITS) held by the family trusts of Sir Hugh Fraser, the deputy chairman.

The move was organised by Charterhouse Japhet, financial adviser to SUITS, in an effort to frustrate Lorrho's £60m bid for the family holding company.

The Scottish trusts are expected to reject the offer as they reject a slightly lower offer by the syndicate earlier in the day. Both the first offer, of 185p per share, and the second, of 200p, are above Lorrho's general offer.

The trusts said yesterday morning that they would accept Lorrho's offer—worth 184p, consisting of one Lorrho share and 115p cash.

Mr. Bruce Fireman, for Charterhouse, said yesterday: "We find it hard to understand that the trustees could decide to accept an offer which leading investing institutions consider too low. It would have been easier to understand if they had turned down our offer as well as Lorrho's."

Even if the second offer is also rejected, Charterhouse will also be embarrassed, Sir Hugh said, and made its point about the value of SUITS. Mr. Fireman said that institutional willingness to snap up SUITS shares "gives the lie to Lorrho's claim that SUITS share price will fall if their offer lapses."

Sir Hugh was not available to give the trusts' reasons for rejecting the syndicate's first offer. But Mr. "Tiny" Rowland, Lorrho chief executive, said yesterday he had spoken to Sir Hugh who said he preferred Lorrho shares to cash and that acceptance of the syndicate offer would be unfair to other shareholders. The SUITS share price could well fall back if he accepted the syndicate offer and the Lorrho offer consequently failed.

Mr. Rowland also claimed it was "quite wrong" for the syndicate to make an offer to one shareholder only in a bid situation. He had talked to four or five stockbrokers, all of whom believed the Charterhouse move was unprecedented.

Charterhouse obtained the approval of the City Take-over Panel for its first offer. Its second offer is subject to Panel approval, which Charterhouse expects to be granted.

Lex Back Page

## New licence for BNOC

MR. ANTHONY WEDGWOOD BENN, the Energy Secretary, has granted the British National Oil Corporation a special licence to develop half of the UK section of the Statfjord field—the biggest oil reservoir in the North Sea.

The special licensing award covers blocks 211/24c and 211/25b. The move means that BNOC, with its partners Gulf Oil, Gulf Oilshare Investments, and Conoco, now holds licences for the whole of the UK section of the Statfjord field—part of the field belongs to Norway.

Mr. Benn is especially empowered to grant special licences outside the normal licensing rounds to BNOC. But Mr. Benn has avoided this regulation by allowing BNOC to assign part of its interest in blocks 211/24c and 211/25b to Gulf and Conoco. The corporation can make the assignment to its partners immediately.

The Statfjord field, which straddles the dividing line between the UK and Norwegian sectors of the North Sea, has estimated reserves of 480m tonnes of oil compared to 150m tonnes in the UK sector, which has reserves of 240m tonnes. But the UK only has about 12 per cent of Statfjord's oil—58.6m tonnes.

BNOC said yesterday that the aim of granting a special licence on blocks 211/24c and 211/25b had been to ensure that the maximum amount of oil was obtained from the UK.

Continued on Back Page

## Tricentrol £17m rights issue

BY TIM DICKSON

TRICENTROL, the oil and gas exploration group which has a 10 per cent stake in the North Sea Thistle Field, surprised the stock market yesterday with the announcement of a rights issue worth almost £17m.

A number of companies are understood to be planning rights issues but most observers were expecting them all to wait until after the general election on May 3.

Meanwhile, Tricentrol is planning to use at least part of the proceeds from the rights to pay off the £13.6m outstanding on the company's first borrowing facility.

The loan has been guaranteed by the Government, which in return earns a special royalty on Tricentrol's share of production throughout the life of the Thistle Field.

The royalty, however, can be determined only when the debt is repaid and is calculated on a complicated formula. If it exceeds a minimum of 5 per cent of Tricentrol's production, the company has the option either to pay a higher royalty or pay the minimum 5 per cent and commute the excess for a lump sum cash payment.

Last night the Tricentrol board said it felt shareholders' interest would be best served if the company was in a position to "repay the balance of Government guaranteed debt and thus choose the date at which the special royalty is calculated."

In a policy statement in the 1977 annual report and accounts, Tricentrol expressed the belief that in view of the cash expected to be generated from Thistle, it would not be necessary to approach shareholders for further funds "for some time."

In the event, the company now says that the build-up in the rate of production from the Thistle Field, primarily due to changed engineering considerations, has been slower than anticipated.

The terms of the issue are one for four at 175p per share. Tricentrol's share price, which at one stage touched 212p yesterday, finished 8p higher at 200p buoyed up by the promise of a 250 per cent increase in the dividend for 1979.

The company yesterday also announced first-quarter pre-tax profits £2.1m better at £3.2m.

Details, Page 28  
Lex Back Page

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For latest Share Index phone 01-545 8026

OVERSEAS NEWS

Brezhnev again reported to be in poor health

BY ROBERT MAUTHNER

THE STATE of health of Mr. Leonid Brezhnev, the Soviet leader, is again causing speculation during President Giscard d'Estaing's three-day official visit to the Soviet Union.

another chance to talk at the dinner due to be given by M. Giscard d'Estaing for Mr. Brezhnev at the French Embassy last night.

U.S. to push ahead with sea-mines bill

BY BRIJ KHINDARIA IN GENEVA

THE U.S. will go ahead with its unilateral legislation, due to come before Congress later this year, to regulate deep sea mining, despite protests from other nations at the Law of the Sea Conference in Geneva.

The private mining conglomerates must make the investment decisions now for successful seabed exploitation in the coming years.

Lorraine car investment plan worth over £220m

BY TERRY DODSWORTH IN PARIS

THE INVESTMENTS which Renault and PSA Peugeot-Citroen, the two French motor companies, are aiming to make in Lorraine over the next few years will probably be worth a total of more than FF 2bn (£220m).

The French Government's acceptance of the Renault and PSA schemes under the FSAI provisions means that they should receive a higher level of assistance than they would otherwise have got for their expansion.

Iran's oil hopes rise again

BY ANDREW WHITLEY IN TEHRAN

A NEW MOOD of self-satisfaction is evident in the headquarters of the National Iranian Oil Company (NIOC) on Tehran's Takhte Jamshid Avenue.

further OPEC price rise this summer. In turn, these likely revenues mean that domestic commitments can be met, and a small surplus may well be available for important development projects.

b/d would be favourably considered later this year. The asking price for spot purchases is high, over \$20 a barrel. But companies like Vickers are clearly prepared to pay whatever is necessary to gain access to the Iranian oil wells.

They are gambling on Iran's premium prices being here to stay, and that alternative sources are going to be tied up this year, with 1980 looking even more hazardous.

After reaching a peak of 4.7m b/d two weeks ago, output is now dropping rapidly. The high Aghajari field is already over 30 per cent down from its top figure of 950,000 b/d.

NIOC officials had the satisfaction this week of being able to turn away at least one eager customer—a small American Mid-West company—on the grounds that all its available supplies on term contracts were tied up for the time being.

Vickers was one jump ahead of its Mid-West rivals, but found it was already too late to take part in the first big carve-up of Iranian oil, after the demise of the old consortium, Iran Oil Participants.

Prices are said to be "competitive," at the publicly-announced level of \$16.57 for light grades and \$18.04 for heavier grades.

Exxon close to crude supply agreement

BY KEVIN DONE, ENERGY CORRESPONDENT, IN NEW YORK

EXXON, the biggest U.S. oil company, is near reaching its first crude oil supply agreement with the new regime in Iran.

possibly rising to 300,000 b/d. But uncertainty in Iran over future production levels has caused the National Iranian Oil Company, which handles all crude oil sales, to cut the contract back to 50,000 barrels a day.

lift about 20,000 barrels a day. Exxon is likely soon to follow some other Western oil companies by signing an agreement with China for preliminary offshore exploration.

New Turkey-IMF talks may end in fortnight

BY METIN MUNIR IN ISTANBUL

TURKEY HAS reopened its dialogue with the International Monetary Fund.

first, releasing the \$70m third and fourth tranches of the present standby loan.

Tunisia breaks off Egypt links

By Tanya Matthews in Tunis

TUNISIA BROKE off diplomatic relations with Egypt yesterday, bringing to 15 the Arab countries which have shut their embassies in Cairo.

Mobutu to halt OTRAG rocket tests in Shaba

KINSHASA—The Government of President Mobutu Sese Seko of Zaïre will order the West German company OTRAG to halt its rocket tests in his country, the official news agency AZAP reported yesterday.

Western diplomats in Kinshasa said that Zaïre's decision to halt the OTRAG tests seemed to be aimed at improving its relations with Angola, East Germany and the Soviet Union.

NATIONALIST STIRRINGS IN BALUCHISTAN

Waiting for a call over the border

IN PAKISTAN, where a bangman's rope has sealed the fate of Mr. Bhutto, the deposed Prime Minister, the desire for greater autonomy for the country's four provinces is now the most potent political force dividing the country.

As the stepped-up development programme in Baluchistan blunts some of the ill-will still further, simultaneous political developments are also helping to undermine the strength of the autonomy movement.

As the stepped-up development programme in Baluchistan blunts some of the ill-will still further, simultaneous political developments are also helping to undermine the strength of the autonomy movement.

Under the Shab, the authorities managed to assuage Baluch nationalist feeling by tacitly allowing the tribesmen to continue their traditional trade of smuggling, and by pouring money into the province for development.



Baluchis traditionally follow their tribal leaders—the Sardars. The Baluchis have been watching with great interest the activities of other Sunni minorities—the Kurds and the Turkmans.

Japanese prices up 0.8% in March

By Our Foreign Staff

RENEWED SIGNS of rising inflation in Japan came yesterday with news that the consumer price index rose 0.8 per cent in March after a drop of 0.3 per cent in February.

Zambia mine killing

Four people, including a six-year-old child, were assaulted and then shot dead last Wednesday by a group of armed men at a mine near Chongwe, 20 miles east of Lusaka.

E. German spy protest

The East German Government has protested, against the alleged collecting of military information by West German intelligence from cross-border travellers.

Thai warning

Mr. Kriangsak Chomanan, Thailand's Prime Minister, has warned that Thailand will not permit foreign forces to violate its territory along the eastern border with Cambodia.

Vietnam pledge on base

Vietnam has assured Mr. Kurt Waldheim, the United Nations Secretary-General, that the former U.S. naval facility at Cam Ranh will not become a Soviet base and will remain under Vietnamese control.

EEC Bangladesh aid

Food aid for Bangladesh under the EEC's food aid programme may be increased as a result of talks yesterday between President Zia ur Rahman of Bangladesh and Mr. Roy Jenkins, President of the EEC Commission.

Sanjay Gandhi jailed

Mr. Sanjay Gandhi son of Mrs. Indira Gandhi, the former Prime Minister, was sent to jail yesterday for failing to appear in court to answer fraud charges.

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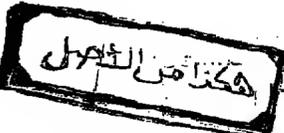
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Handwritten signature in Arabic script.



# UK NEWS

# LABOUR NEWS

## Government to order three hydrographic survey vessels

BY LYNTON McLAIN

THE Government yesterday called for tenders for three hydrographic survey vessels. They are expected to cost up to a total of £50m.

The move meets in full the demands of MPs on the House of Commons trade and industry select committee.

The ships were urgently needed to update offshore navigation charts around Britain as a way of preventing collisions and strandings of ships carrying dangerous pollutants, including oil, said the MPs in a January report.

The ships will be built in British yards under full funding from the Industry Department based on the Shipbuilding Intervention Fund. This is used to bridge the price gap between overseas yards and more competitive yards overseas.

The Ministry of Defence will pay the operational costs of the vessels, which will be manned by the Royal Navy.

The Trade Department— which was urged to pay the full building and operating costs of the vessels in the MPs' January report— argued that its marine operations budget was fully stretched.

Robb Caledon, of Leith, built the Navy's latest improved

## Shipowners press for cut in subsidies

BY LYNTON McLAIN

REPRESENTATIVES of world shipping companies yesterday urged governments to cut subsidies for shipbuilding in the long term interests of the shipping and shipbuilding industries.

The International Chamber of Shipping, which represents shipowners' associations in 29 countries, said after its annual meeting in London that governments were tending towards more subsidies.

Any increase in shipbuilding subsidies had to be stopped, Mr. Harry Beazley, chairman of the chamber, said.

The meeting emphasised the importance of preserving the Organisation for Economic Co-operation and Development's understanding on export credit for ships. That stipulates a minimum interest rate of 8 per cent over seven years on up to 70 per cent of the value of the vessel.

Spain, a member of the chamber, decided in March to withdraw from the non-binding OECD agreement and is understood to be advocating a 0.5 per cent cut in the minimum interest rate, a 10 per cent rise in the order value which can be covered by a loan and an 18-month extension in the repayment period.

Members said the surplus in the liner trade would "cause trouble for the owners for some time to come." Rates in the industry are under severe pressure from rising competition from non-liner conference operators.

The meeting also discussed a common approach among shipowners to maritime fraud, which is eroding the already vulnerable margins of small tramp ship operators.

## Managers in private sector take pay lead

BY JASON CRISP

PAY LEVELS for industrial managers working in private industry have rapidly overtaken those working in the public sector. A survey just published shows that the average salary in private industry which a year ago lagged behind the public sector by £90, is now £500 ahead.

According to the survey, industrial managers' salaries have risen across the board by 20 per cent, notably faster than average earnings. However, the report notes that between 1974 and 1978, "earnings of all managers in manufacturing industries increased by 65 per cent, while salaries of industrial managers had improved only 33 per cent."

The survey, conducted in January and February by the Institution of Works Managers, covered nearly 2,000 institutions members doing a wide range of jobs in a number of sectors.

The median salary in the public sector was £7,000 and in private industry £7,500. The salaries of the highest paid (topper decile of those surveyed) rose from £10,500 in 1978 to £13,000 in 1979.

There were variations in increases between industries. Average increases over the year in the chemical industry was 25 per cent compared with 16 per cent in mechanical engineering.

Copies of the survey's findings are available from the Institution of Works Managers, Industrial Management House, 45, Cardiff Road, Luton, Bedfordshire. Price £15.

## German print union bid to halt Times weekly edition fades

BY GUY HAWTIN IN FRANKFURT

THE WEST GERMAN print union's hopes of directly preventing publication of the Times' weekly European edition appear to be increasingly slim. The publication is being printed by what amounts to non-union shops.

An official of the Industrie-Druckwerkzeug- und Papier (IG Druck), the country's powerful printing trade union, yesterday confirmed its wholehearted support for the National Graphical Association, the British craft printing union. But he said his union's direct influence over the men who will be bringing out the edition was limited.

The Times' European edition is being produced by two West German printing concerns. Typesetting and page composition is being undertaken by the small firm of Gutfreund und Sohn, in Darmstadt, near Frankfurt, while it is being printed by a Turkish-owned company, Tebruckerel, based in Zeppelinfeld, also near Frankfurt.

About half of Gutfreund's employees are IG Druck members and the Turkish company, a subsidiary of the right-wing Tebrerman newspaper group, is completely unorganised. So far IG Druck's efforts to stop production of the newspaper have been confined to negotiation and exhortation.

IG Druck is not without resources if it wishes to show strong support for the NGA. Few German printing employers would care to endure its wrath and that would probably go for Gutfreund, which is a small company and has reportedly never had particularly good relations with the union, as well as Tebruckerel, which is wholly

dependent on guest-workers for labour.

Sources in the industry say Gutfreund, which apparently has no printing capacity of its own, is greatly dependent on contracts from the trade. Therefore, it is argued, it is vulnerable to "blacklisting" by the union employees of its customers.

Tebruckerel is well placed to pressure by IG Druck attempting to organise its labour force. It could possibly also be discomfited by an investigation into wages, conditions and recruitment policies.

"The next move will come when Gutfreund starts setting the second edition text for the Times," the IG Druck official said. "We shall ask our members to strike but the fact that only a few of the workforce is organised makes things difficult."

An appeal for assistance from the union representing transport workers was unlikely to be effective. Tebruckerel would most probably be able to circulate the paper using its own non-union sources.

The official said Gutfreund was claiming that the weekly edition was a serious long-term project. Representatives of the German company said they were in London last week discussing the capital investment their own business would need to cope with the demands of permanent composition and type-setting of the weekly.

● The weekly edition will be printed on Sunday for publication on Monday, and have the same cover price as The Times (15p in Britain). Times News papers said in London that it had "a long queue of advertisers" interested in the project.

## Court battle over NEB computer plan to continue

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE HIGH COURT battle over the future of an IBM Anglo-American joint computer venture set up by the National Enterprise Board will continue next week.

Grundy (Teddington) is trying to stop a link-up between a NEB subsidiary, and Control Data Corporation of the U.S., to make computer peripherals.

In the High Court on Thurs-

## Ladbroke case may be delayed

BY JAMES BARTHOLOMEW

LADBROKE GROUP'S applications for renewal of four London casino licences, which the police have objected to, will probably be delayed for several weeks.

The hearing will start at the South Westminster gaming licensing committee, a branch of the magistrates' court on Tuesday, but it is likely to be adjourned.

The licences in question are for the Ladbroke Club, 23 Hill Street, the Hertford Club, 21 Hertford Street, Park Lane Casino, 24 Hertford Street and the Hertford Club, 30 Curzon Street (not at present operated as a casino).

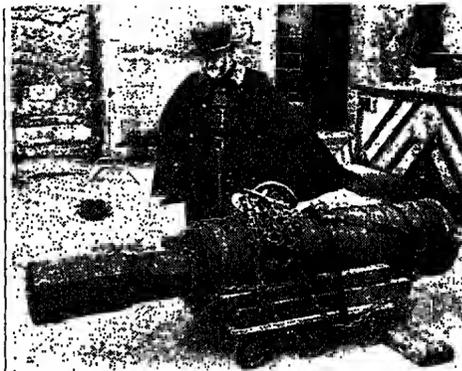
Another licence, for the Park Tower Casino, 101 Knightsbridge, comes up for renewal on May 15 at the West London Petty Sessions. This hearing is also expected to be adjourned until the results of the other applications are known.

These casinos are believed to have been major contributors to Ladbroke's record £40m profit last year. Loss of the licences would be a heavy blow to the prestige and profits of the group.

Mr. Geoffrey Spreckley, the Ladbroke director responsible for the casinos, said yesterday that the adjournment would not be at Ladbroke's request. It was normal for such cases to be adjourned if there were any objections whether from the police or the trade or anyone else. A date for the full hearing had not yet been fixed but he believed it would be late next month or June.

Mr. Spreckley would not disclose the grounds on which the police have objected to renewal of the licences; the objections were served on Ladbroke on April 6. He repeated the statement of Mr. Cyril Stein, Ladbroke's chairman, on April 5, that the police objections were based on "alleged technical breaches."

A court officer said yesterday that renewals subject to an objection were not necessarily adjourned. He understood that Ladbroke would seek an adjournment on Tuesday.



Yeoman Warder Brian D'Arcy inspects the Tower of London's latest acquisition, the Boxed Bombard, believed to be the oldest English gun in existence. The gun was moved to the White Tower yesterday from its former home, Boxed Hall, near Bury St. Edmunds. Built in the middle of the 15th Century, the cannon, which is 8 ft 10 in long and weighs 1½ tons, was first recorded in Eridge Green, Sussex, the centre of iron and cannon making in England at the time.

## Jewellery sold without hallmarks

UNHALLMARKED ARTICLES of jewellery are being imported into the UK and sold as gold or silver when in fact some are not.

The Joint Committee of the Assay Offices said yesterday that the problem had come to its notice in the last few months after complaints by the public.

Under the Hallmarking Act, 1973, it is an offence for traders to sell or advertise articles as gold, silver or platinum unless they have been hallmarked or are exempt.

Although Assay Offices are unable to quantify the amount of jewellery not being hallmarked they said the problem was serious enough to cause concern.

Most of the jewellery which has not been hallmarked in the UK—most of which originates in Italy—is in fact gold or silver, but there have been instances where base metals have been sold as gold or silver.

One London borough recently prosecuted a trader for selling a base metal chain. He was fined £200 and ordered to pay costs; a compensation order was also made and he received a further fine of £25 for not displaying a hallmarking notice.

Most of the unhallmarked jewellery is being sold in street markets but some has been found to have been sold by discount jewellers.

## Print union chief defends financial affairs

BY OUR LABOUR STAFF

Mr. Owen O'Brien, general secretary of the National Society of Operative Printers, Graphical and Media Personnel, yesterday hit back at newspaper suggestions that the executive had failed to take action on the state of the union's financial affairs.

Mr. O'Brien indicated that inquiries which revealed a second sale of the union's premises in Blackfriars Road had been started when he received a demand for capital gains tax. This led to a full investigation and audit of

NATSOPA affairs over the past 10 years.

Steps were now being taken to ensure that all money owed to NATSOPA was returned and that "the occurrences of the past can never re-occur."

Mr. H. T. Ball, president, writing in the latest issue of NATSOPA Journal yesterday called on the union's members to support the general secretary "who has on your behalf and mine, withstood these vicious attacks for many months."

## State industries' pension system defended

BY CHRISTINE MORRIS

THE NEXT government should avoid the temptation to put the pensions of the nationalised industries and local authorities on a "pay as you go" basis in place of the "funded" system, Mr. Dundas Hamilton, senior partner of stockbrokers Fielding Newson-Smith, said yesterday.

By such a move, the government could, "at the stroke of the legal pen" reduce its annual public sector borrowing requirement by as much as £2bn a year—the present cost of topping up current pension contributions to meet future liabilities—Mr. Hamilton told the conference of the National Association of Pension Funds in Edinburgh.

Alternatively, it could take over the entire portfolio of the funds of the two sectors which would give it £13bn of investment to sell off to pay pensions.

Both moves look superficially attractive, Mr. Hamilton said, but they would cause insoluble problems for the future including the possibility that a future government might have to default on pensions.

The fundamental flaw, he said, of the "pay as you go" system is that the pensions of today's employees are paid by the contributions of tomorrow's workforce.

Trends in industry, through new technology and early retirement, as well as increased longevity due to improvements in medical science, indicate a long-term decline in the overall workforce and a corresponding rise in pensioners.

The smaller workforce would have to bear increasing burdens. They might well reach a breaking point in their response" to such a burden, Mr. Hamilton said.

The Government would have to provide explicit guarantees against such a future. In this way it would become the sole provider of pensions and it would be under pressure to upgrade every employee in the national sector to the highest level of benefit regardless of differing levels of productivity. In any case, Mr. Hamilton

## Decade of economic instability forecast

BY EAMONN FINGLETON

CONTINUING ECONOMIC instability in the 1980s was forecast yesterday by Mr. Peter Moody, chief investment manager of the Prudential Assurance group.

Addressing an investment conference in London, he said: "Investors should prepare themselves for another decade in which the average rate of inflation will remain high and the average rate of economic growth disappointingly low."

Growth in world output and trade would continue to be held back by restrictive economic policies designed to keep inflation in check and to protect the trading balance of countries such as the U.S. which depended on oil imports for much more of their energy requirements. Foreign exchange markets would become increasingly volatile in step with the concentration of gold and foreign exchange reserves in the hands of oil-producing countries.

He added that sterling would be stronger in the next decade, but this would be a mixed blessing.

Monetarist ideas would almost certainly become dominant over the next few years in anti-inflation policy; but he was unconvinced that monetarists had a total solution to the UK's problems.

"Strict monetary restraint could well first squeeze the real economy so severely that the policy would have to be abandoned."

Economic instability, though less severe than in the 1970s, would mean big fluctuations for financial markets.

Mr. James Findlay, director of the Prudential's portfolio management's subsidiary, put a damper on the stock market's current euphoria.

He said: "For the time being equities have gone far enough and a period of consolidation is called for."

The conference was held for investors with Vanhugh, the Prudential's unit-linked subsidiary.

## Journalist to appeal against assault sentence

A LONDON High Court judge today refused bail to a reporter, Mr. Stephen McKenlay, 22, sentenced to three months jail, in Bristol on Wednesday, for assaulting and causing actual bodily harm to a policeman during a picket-line disturbance at Bristol in January.

But Mr. Justice Wood, sitting in private, granted Mr. McKenlay leave to appeal against his sentence and directed that the appeal should be heard as soon as possible. Mr. McKenlay's solicitor said later it might be heard in London next Wednesday.

PC Jonathan Mattick alleged that Mr. McKenlay, a Western Daily Press reporter, had butted him during the National Union of Journalists' provincial strike.

## Old Masters' works for art institute

A NUMBER of works of art, including drawings by Michaelangelo, are bequeathed to the Courtauld Institute of Art by Count Antoine Edward Seilern, whose will was published yesterday.

The count of Prince's Gate, London, and Burgsteier Strasse, Salzburg, died last July, aged 77, leaving an estate in the UK valued at £30.8m gross.

His collection of more than 400 paintings and drawings, of which the Institute inherits a share, includes 33 paintings and 23 drawings by Rubens, as well as drawings by Rembrandt, Mantegna, Bellini, Parmigianino and Tintoretto.

The greater part of the sum is needed for the renewal of the entire north transept and south-west tower roof, and repairs to external stonework.

## Cathedral seeks £1m for urgent repairs

PETERBOROUGH Cathedral needs £1m for urgent repair and restoration work.

An appeal, with the Duke of Gloucester as president, is being launched by the Dean and Chapter to pay for immediate preservation work to the roof and stonework of the Norman building.

The agreement was reached at a meeting in London this week under the auspices of the joint textile committee of the National Economic Development Office.

Among retailers who attended were Hepworth Tailoring, Foster Menswear, Dorothy Perkins, Littlewoods, Woolworth, British Home Stores and Tesco. Manufacturers included Luton Knitwear, Carrington Viyella and Coats Patons Knitwear.

## Clothing industry chiefs in design information pact

BY MAURICE SAMUELSON

LEADING RETAILERS and manufacturers have agreed on long range measures to help make the British clothing industry stand up more effectively to foreign competition.

Retailers have agreed to meet a long standing grievance of manufacturers by promising them the same kind of long-term information about design requirements as extended to overseas suppliers.

The agreement was reached at a meeting in London this week under the auspices of the joint textile committee of the National Economic Development Office.

Among retailers who attended were Hepworth Tailoring, Foster Menswear, Dorothy Perkins, Littlewoods, Woolworth, British Home Stores and Tesco. Manufacturers included Luton Knitwear, Carrington Viyella and Coats Patons Knitwear.

## West Scotland business 'at a low ebb'

BUSINESS CONFIDENCE to the West of Scotland remains at a low ebb and signs of recovery should be treated with caution, says the Glasgow Chamber of Commerce in a survey of 200 member companies and covering the first three months of 1979.

Many companies reported that their cash flow had deteriorated as a result of the bad weather which led to stockpiling of materials and delayed payments.

Finding skilled labour was also a difficulty—in engineering and textiles this was reported by 82 per cent of respondents.

Although export figures seemed to improve, many companies said this was in terms of value because of the stronger pound rather than volume and while companies are recovering from time lost in January, the General Election and its aftermath makes the situation unstable, according to the survey.

## Engineering union merger hopes suffer new setback

BY ALAN PIKE, LABOUR CORRESPONDENT

THE LONG-SOUGHT amalgamation of engineering workers' unions suffered a new setback at the hands of a new amalgamated Union of Engineering Workers' engineering section national committee in Eastbourne yesterday.

Members were divided 26-26 on whether to ratify executive proposals to amalgamate the union's smaller sections with the engineering section on a transfer of engagements basis and Mr. Terry Duffy, president, declared that the motion was not carried. In February, a recall of last year's national committee endorsed the plan, but the Left-wing has greater voting strength on the new committee.

At this week's conference of the AUEW foundry section in Bournemouth, delegates voted in favour of their members being halted on a transfer to the engineering section, subject to the separate identity of the foundry workers being maintained. But the two other sections, TASS (white collar) and Construction are unwilling to complete the amalgamation in this way.

The objective is to bring the four semi-autonomous sections into a fully amalgamated union, and for several years this has proved impossible, largely because TASS refuses to submit its full-time officials to the process of periodic re-election which exists in the other sections.

Mr. Duffy said during yesterday's debate that he did not envisage the engineering section national committee ever moving from the election of officials to an appointment system.

Referring to the Electrical and Plumbing Trades Union and others with the AUEW

would like to amalgamate, he said: "We must tell you that if you wish to amalgamate you must change your rules." The national committee's insistence on elections, said Mr. Duffy, had retarded merger talks with the EPTU, where most officials are appointed, but "we have not waffled, we have told them that is your view."

Mr. John Boyd, general secretary, said TASS had made it clear that, although future officials would be subject to election, it was not prepared to tolerate any interference with the position of existing appointed officials.

The committee will debate further motions on amalgamation this morning. It is also produce deadlocked votes. Mr. Boyd said the executive would act in the interests of the good government of the union "influenced by events of the past." This suggests that the executive will still try to act on the basis of the recalled committee vote in February to bring in the foundry section.

Leaders of the Sheet Metalworkers' Union are also engaged in amalgamation talks with the AUEW.

## Call for aid on rented home improvements

BY ANDREW TAYLOR

MORE GOVERNMENT help is needed to encourage home improvement work in the private rented sector, Mr. Ian Robey, newly-elected president of the Builders Merchants Federation said yesterday.

Mr. Robey said the 1976 House Condition Survey revealed that a seventh of all privately rented homes were unfit for habitation while a quarter lacked basic amenities like hot water and "inside toilets."

The federation proposes a revision of the home improvement grant system with the introduction of a basic "habitability standard" under which all homes without basic amenities would be instantly eligible for grants.

Mr. Robey said there was also need for readily available finance to bridge the gap between the cost of improvements and the basic grant. A home improvement bond scheme as proposed by the National Home Improvement Council should also be considered.

"Perhaps most importantly there should be a revision of the Rent Act together with a change in basic attitude by politicians and civil servants to responsible landlords."

Mr. Robey said home improvement work had, in recent years, provided an increasingly important market for the building industry. "In four of the last five years a larger proportion of UK construction output has gone on repair and maintenance than on new housing."

However, he said that in many cases the building industry had failed to recognise the importance of the private rented sector to the home improvement market although builders had created special divisions or companies to cope with local authority improvement work.

He also felt a central body was needed to provide a system of guaranteeing building standards and "some guarantee of redress if things go wrong."

There has been an increase in fringe firms offering to provide low cost improvement work. Some of these may be perfectly legitimate but if things do go wrong, such as companies going bust, the public have little chance of gaining redress."

● The federation's latest quarterly survey of business confidence showed that 77 per cent of British builders merchants canvassed expected trade to increase over the next 12 months. Merchants in the Midlands, however, were less optimistic about trading over the next six months.

## FT beats U.S. rivals in world coverage

The Financial Times beats the top six U.S. business publications in coverage of international business, financial, political and economic news, according to a survey by the R. Russell Hall company of Greenwich, Connecticut.

The company monitored the international editorial lineage of nine publications, including the FT, New York Times and Wall Street Journal, during two-weeks in January.

The FT included a total of 472,528 lines of international (non-U.S.) business coverage during the period compared with a combined total of 104,784 lines for its top six U.S. rivals.

## Mersey dockers to meet on pay

BY OUR LABOUR STAFF

A MEETING of 6,000 registered Liverpool dockworkers will decide tomorrow whether to accept an 28 p week pay increase to raise their basic rate to £65.50 a week.

The Liverpool Port Employers Association said a bonus deal and holiday pay improvements had also been offered.

# UK - ELECTION NEWS



## Parading at the double with the Tory who is almost too good to be true

BY ELINOR GOODMAN

AT 10.06 precisely, the quiet of a Croydon suburban street is shattered by a high volume amplified recording of Seventy-Six Trombones. It comes from a large primrose camper-van which has drawn up at one end of the road.

game of tag but is, in fact, his way of trying to make contact with practically every voter in his constituency before May 3.

Mr. Moore sees himself as a progressive Conservative; tough on fiscal policies and to the left on social issues.

At 41, John Moore is a vice-chairman of the Conservative Party and, as a model of Mrs. Thatcher's new breed of self-made Tory, he seems almost too good to be true.

more like a timid accountant who has rinsed his eyesight poring over a ledger than the revolutionary Trotskyist he has been branded as in some parts of the press.

the last election, rejects all labels but he sees no reason to hide the fact that he supports Militant, "the Marxist paper for Labour and youth" and that he is in favour of wide-scale nationalisation.

Mr. Paul Johnson, briefly lit up. Mr. Johnson, an assistant plans manager in an insurance syndicate, says he will increase the 7,534 votes the Liberals polled in October 1974.

## Tax 'credibility gap'

BY PAUL TAYLOR

LATEST OPINION poll results show a "credibility gap" over the Tory election campaign promise to cut income tax.

## Ban stays on Waugh address

THREE APPEAL Court judges decided yesterday not to lift a ban on an election address by Mr. Auberon Waugh.

On Thursday the Appeal Court reversed an earlier High Court decision and granted Mr. Waugh a temporary injunction preventing Mr. Waugh from publishing his election address.

## Prior pledges aid to small businesses

BY JOHN LLOYD

JOBS, and the central position of private enterprise in their creation, were the themes of the Conservative Party Press conference yesterday.

## Thatcher in fine voice

BY JOHN LLOYD

REMOURS OF Mrs. Thatcher's lost voice dominated the Conservative leader's only visit yesterday to the hustings.

## Warning over union deals

BY IVOR OWEN

COMPANIES that buy of unions with wage increases they cannot afford were warned not to look to an incoming Conservative Government for help by Sir Keith Joseph, industry spokesman last night.

## Tory price 'dishonesty'

BY PAUL TAYLOR

MR. JOHN SILKIN, Agriculture Minister, accused the Conservatives yesterday of being "totally dishonest" about prices.

## Former Minister defects

BY IVOR OWEN

ANOTHER FORMER Labour Minister, Lord Wilson of Langside, called yesterday for the return of a Conservative Government.

## Wealth tax risk

AN 'AVALANCHE of Mentmore' will result from the introduction of a wealth tax, according to Mr. George Howard.

## EEC opposed

ONLY 38 per cent of Scottish voters want Britain to stay in the European Economic Community, according to an ORC poll published by The Scotsman.

## Employers' plea

SIX PROMINENT employer organisations, including the Confederation of British Industry, have sent all candidates a manifesto calling for widespread tax reform and other measures to help smaller businesses.

## Half-fare flights

BRITISH AIRWAYS is offering half-price return fares on all its flights between the Continent and the UK next week to enable Britons overseas to return to vote in the general election.

## Steel renews call for people's parliament

BY JOHN LLOYD

MR. DAVID STEEL, Liberal leader, called yesterday for a "People's Parliament," endorsing the role of the National Enterprise Board and the Scottish and Welsh Development Agencies.

## Consult us

INDEPENDENT trades unions representing more than 500,000 managerial, professional and skilled staff have urged the leaders of the three main parties to agree that they should be consulted in future when industrial policy is framed by the Government of the day.

## Odds shorten

ODDS ON a Conservative election victory offered by Coralis have shortened from 3-10 to 2-7, while those for Labour have eased from 5-2 to 11-4.

## Film go-ahead

THREE APPEAL Court judges in London lifted a ban yesterday on televising part of a regional election film by BBC Birmingham only 30 minutes before it was screened.

## Convincing

A PARTICIPANT in the BBC phone-in programme "election call" started as a "don't know" and ended by pledging himself to vote Liberal after talking to Mr. David Steel.

## Liberals expel Bailey

BY ROBIN REEVES

THE LIBERAL Party's decision to expel Mr. Christopher Bailey for forging a local Lib-Con pact in the Prime Minister's Cardiff, South-east constituency was described as "highly autocratic and un-Liberal" by an unrepentant Mr. Bailey yesterday.

## Old-fashioned radical populist turns on the charm

BY RUPERT CORNWELL

FIRST, the car. The Bemmobile is a modest blue Escort estate car, fitted out on the roof with a boxed-in white chaise-longue from which the Energy Secretary can harangue the multitudes.

## Manifestos differ on what seems best

DURING THE last Parliament it became common for people in the transport industries to talk, usually with relief, about the emergence of a "politically bipartisan transport policy."

## Convincing

MR. NORMAN Fowler, Conservative candidate for Sutton Coldfield, spent much of his time investigating and speaking about three issues: the need to improve and extend the information in British Rail's accounts; the desirability of modifying the bus operator's licensing system to stimulate competition; and a review of the treatment of minor motoring offences.

## Manifestos differ on what seems best

THE party's research department, whose wife is one of the best known anti-motorway campaigners.

## Convincing

MR. RICHARD Wainwright, who is defending Colne Valley, said that the "people's parliament" was between two machine politicians had bored the public stiff.

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Handwritten notes and signatures in the right margin, including "King's" and "University".

Handwritten text at the bottom right: "كانت النزل"

# THE WEEK IN THE MARKETS

هكنا من الاسبوع

## Equities ignore the polls

The opinion pollsters have been doing their best to turn Thursday's General Election into a cliffhanger, and the equity market, which has relied for much of its recent strength on the prospects of a Conservative victory, might have been expected to suffer accordingly. But either the market's recent advance has been more broadly based than has been generally assumed, or fund managers have an unshakable faith in their political judgement.

On Tuesday the FT 30 share index jumped 11 points and the following day it touched a record closing high of 552.7.

Overseas investors have been less sanguine, however, and sterling has continued to lose ground, falling two cents or so before recovering to \$2.0550 yesterday.

Gift-edged could make only a little progress against this background but there was no real selling pressure and the present high trading range has been maintained, with only the highest-coupon long-dated stocks showing gross redemption yields of 12 per cent.

**Staving off Lonrho**

The three directors of Scottish and Universal Investments (SUITs) opposing the \$60m cash and share offer from Lonrho bolstered their defence this week with a proposed 30 per cent dividend rise and a 29 per cent pre-tax profit improvement for the year to end-March last.

Stripping out SUITs' 10 per cent stake in House of Fraser, the three opponents claimed, Lonrho was trying to take out the industrial interests at a discount of \$18.7m to their true value using a current stock market average p/e of just over 9.

The defence also added a scatter of sniper fire to this financial salvo. Among six material objections to the

partial use of Lonrho paper in the consideration, the three directors pointed out that Lonrho took 70 per cent of its stated earnings in Africa where it has had to "submit to nationalisation or local participation in its activities in at least eight countries between 1967 and 1978".

"Tiny" Rowland, chief executive of the pan-African conglomerate was undeterred. The defence, he said, "may have all the partial charms of theatre bill boards".

Yesterday the pace quickened, as a group of City institutions offered to buy the Fraser family trustee shares in SUITs in an attempt to keep them out of Lonrho's hands.

beyond the present maximum amount" but the group is considering the advantages of a scrip issue and shareholders can expect an announcement "in due course". The City is estimating that House of Fraser would be prepared to reduce dividend cover from the present level of around 3.4 to two times fully taxed earnings.

Vickers suffered two heavy blows last year but the group has at least maintained its dividend. Pre-tax profits slumped from £25.1m to £11.7m after a trading loss of £8.7m in the offshore operation and the absence of the nationalised interests while earnings were eliminated by an extraordinary charge of £18.3m. The offshore business, since sold to the National Enterprise Board for a give-away consideration, was responsible for two-thirds of this below-the-line damage. Compensation for nationalisation is still dragging its feet but the group is confident that growth will be resumed by its remaining activities.

lossea and redundancy costs took out £11m, and the hauliers' strike about £1m.

Hoover is still hoping to beat last year's profit figure for the year as a whole—a modest target, as it only made £5.3m in 1978. Any improvement requires wider trading margins, and the company claims that the price increases it is now passing on, together with the savings in cost from a smaller workforce, will allow a better return. The shares picked up 15p to close at 170p.

Hoover is still suffering from the effects of a strong pound on its home market—imports of white goods, particularly Italian washing machines, are still the company's main problem.

Also suffering from the exchange rate is BSR, exporting its record-changers very largely in the U.S. market and finding its price increases there immediately eroded in sterling terms by the weakness of the dollar. High U.S. interest rates hurt the company badly as wholesalers in the U.S. cut back the stocks of its products, and now demand seems to be slipping, forcing BSR to go onto a shorter working week for the first time since 1974. The shares, already weak, slumped back to 60p where they yield over 13 per cent.

ing. Only a handful of shareholders turned up the same time a year ago but on this occasion there were few empty seats as proceedings began in the dimly lit hall of the Chartered Insurance Institute. The reason was a highly controversial resolution tabled by 109 dissident shareholders calling on Mercantile's directors effectively to liquidate the company.

The implications of such a motion, if successful, would have been enormous—almost certainly the beginning of the end of the investment trust sector as groups of dissatisfied shareholders sought to eliminate the discount, the difference between the break up value of a trust's assets and its share price.

Not surprisingly, however, in view of recent increases in the trust's asset value and dividend

and the persuasive argument that some unquoted investments could only be realised at well below book value, the Mercantile board won the day. Its victory, nevertheless, was by no means overwhelming. Only 38 per cent of all shareholders bothered to vote and of those who abstained for tactical reasons the Save and Prosper Group (with a 5.5 per cent stake) promised both to keep an eye on the situation and, if necessary, to find an alternative solution to the problem of high discounts. All this despite S and P's close links with merchant bankers Robert Fleming, Mercantile's managers.

### LONDON ONLOOKER

House of Fraser, meanwhile, is not playing games. It, with 40 per cent of SUITs in its locker, Lonrho won the next crucial stage of the battle it is a reasonable bet that it will train its guns on the prestigious department store group. House of Fraser, it seems, is already digging its foxholes.

The accounts published during the week contain two potentially strong bulwarks. A property revaluation on a 55 per cent sample of the portfolio taken in 1977 and 1978 show a surplus over book value of 50 per cent for freehold properties and 75 per cent for long leaseholds. That suggests an excess of £90m which would lift asset backing from about 160p to 270p per share. Analysts were thinking during the week that an up to date appraisal would indicate assets of perhaps 300p per share.

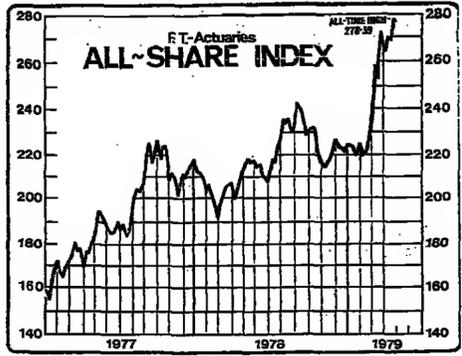
The Board is also anxious to lift dividend income. The Treasury seems unwilling to allow House of Fraser to "establish a basis which would allow us to pay dividends

### A profits vacuum

Recent experience has taught the market to expect poor figures from Homer, but the first quarter results were bad enough to send the shares spinning 25p lower. A pre-tax profit of £2.4m in the first quarter of 1978 had been considered disappointing, but this year there was a loss of £0.8m. On further inspection the figures improved somewhat: currency translation

### Put not thy trust

Mercantile Investment Trust has emerged somewhat battered but still very much intact from Tuesday's lively annual meet-



### MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979 High	1979 Low	
Ind. Ord. Index	547.9	+ 9.2	552.7	446.1	Revived institutional demand
Brooks Group	137	+22	137	71	Microprocessor acquisition
Brown & Jackson	630	+85	640	218	Acquisition/capital proposals
Cape Industries	193	+18	196	130	Revived bid hopes
Dowry	326	+16	335	252	Investment buying
Fosco Minsep	190	+23	192	148	Favourable annual results
Hardy (Furnishers)	73	+15	77	35	Speculative demand
Harrison (T.C.)	152	+20	152	97	Excellent annual results
Hill Samuel Warrants	315	+105	318	40	Buying in thin market
Home Charm	367	+23	373	229	Good figures/scrup issue
Impala, Flat.	198	+22	234	170	Producers' price rise rumours
Messina	107	+15	111	56	Bid speculation
Pleasurama	163	+25	165	89	Revived bid hopes
Sheffield Brick	58	-12	76	49	Annual profits setback
Tarmac	203	+15	203	154	Results above expectations

## Looking for diversification

ONE HAS TO BE careful where one says it and, indeed, to utter it in the vicinity of Wall Street may risk a thunderbolt and sundry other punishments from the gods, but it could be argued that the U.S. stock market is boring. After all, the blessed thing never seems to go anywhere. Here we are in the late 1970s and the Dow Jones is still trading a path that was well worn more than a decade ago. There is a vast—well, large—industry dedicated to maintaining our interest in equities and appealing to our sense of greed by recommending phalanxes of stock which will enrich us in one way or another.

between various world markets coupled with the substantially better returns available elsewhere have strengthened academic arguments that international diversification is a legitimate means of risk reduction, but he suggests that currency appreciation may be one of the key factors encouraging U.S. institutions to broaden their horizons. With the exception of Japan and the UK, most of the other markets have performed poorly when their price performance is not adjusted for exchange rate fluctuations. How much U.S. pension funds have already invested abroad is a matter of guesswork but Mr. Salomon believes it is more than \$1bn and may be closer to \$2bn. Whole future growth will be tempered by the needs of pension funds to match assets and liabilities in the same currency, he would not be surprised to see foreign securities accounting for as much as 5 per cent of pension portfolios over the next ten years—possible between \$10bn and \$15bn.

### NEW YORK JOHN WYLES

on stock's relative weighting in index such as Standard and Poors 500) to portfolio diversification into money market instruments and long-term bonds. But in the main the pickings have been meagre and as a result, pension funds, in particular, have been looking to place their investments elsewhere with overseas stock markets proving an increasing attraction.

Noting this trend, Mr. Robert Salomon Jr, a partner and director of stock research at Salomon Brothers, this week calmly dodged thunderbolts and issued a stock research letter titled "International investing: a response to boredom." Mr. Salomon believes that institutional interest in diversifying investment outside of the U.S. is greater than at any time since the early 1960s. This stems from the "seemingly interminable period of mediocre performance by the U.S. equity market" as well as a number of other factors including prolonged weakness of the dollar, changes and clarification in key U.S. laws and regulations, wider reporting of foreign companies' operations, better trading and liquidity in foreign markets than a few years ago and the rise of modern portfolio theory based on "meaningful" diversification.

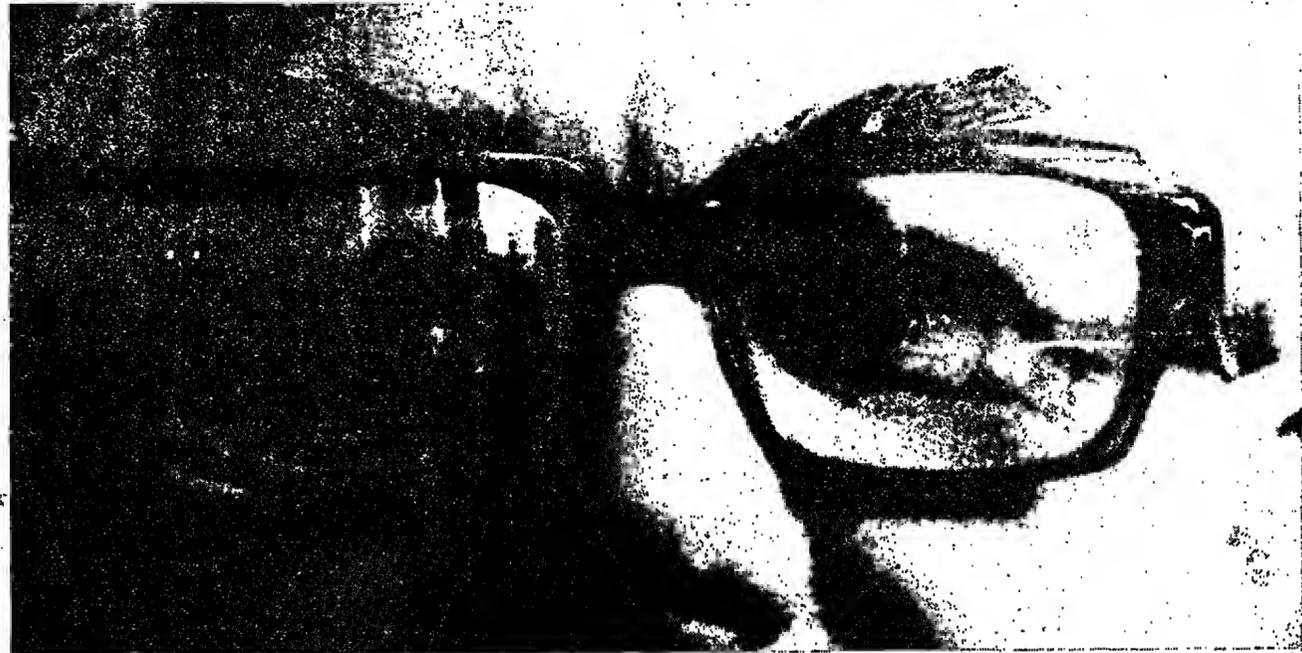
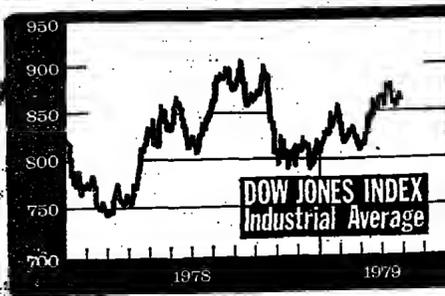
As Mr. Salomon demonstrates, differences in performance

The observer of the U.S. stock market, rather than the participant, is less likely to be gripped by the frustration and boredom which Mr. Salomon suggests is generated by the market's poor performance. The way in which events in the world outside influence or fail to influence investor behaviour is endlessly intriguing. The market, as we know has been stoical and even indifferent to the steady deterioration in the U.S. economy over the last few months. The patch on its Nelson's eye has been made up of stable interest rates and strong corporate earnings which have tended to underline the cheapness of many stocks.

But some of the more familiar Pavlovian responses to money supply figures and inflation may be starting to emerge. The 12 per cent annual rate of increase in March's Consumer Price Index published this week was higher than generally expected and was accompanied by a much more muted optimism than before from the administration about the prospects for an early slowdown in the rate of price increases. But with U.S. institutions casting around for investments abroad, one market's loss may be another's gain.

CLOSING PRICES

Day	Close	Change
Monday	860.10	+3.12
Tuesday	864.86	+4.76
Wednesday	867.46	+2.60
Thursday	860.97	-4.49



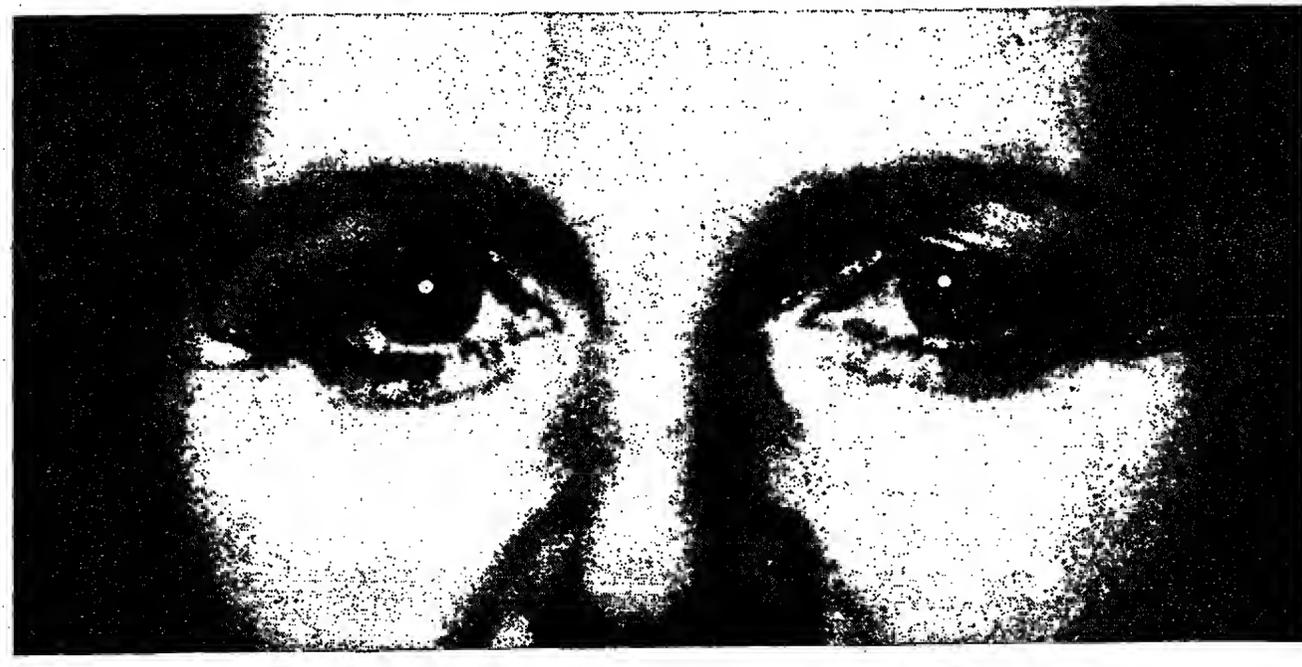
# In 1984, who'll be watching you?

The Government that's voted into power on May 3rd will still be watching over us in 1984. How will it deal with the issues of the eighties? For a balanced view of the facts about all the parties, and their aims, read Election '79 in The Observer.

Our team of experienced political writers led

by Conor Cruise O'Brien, John Cole, Adam Rophoel and Alon Watkins will read between the lines of the party manifestos. While Anthony Howard keeps a watchful eye on the Press, and Clive James follows the bottle on T.V. Let's hope that what they find will prove George Orwell wrong.

## THE OBSERVER



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**PT3-5766**

## FINANCE AND THE FAMILY

# Sleeping policemen on a private road

BY OUR LEGAL STAFF

We live on a private road, the freehold of which is held by a company, whose members are the residents. It has been suggested that ramps (sleeping policemen) be installed to check speeding, but some of the company's directors are a bit worried about this. If a serious accident occurred, for example, a director be held culpable by the police?

private road; and any damage to property would not be motivated by the intent necessary for criminal damage. While we cannot give a categorical assurance that no offence could be committed the risk of prosecution must be small.

### A persistent parker

How can I prevent the nearby owner of a transport business parking his taxis and coaches on my land, over which he

has no more than a right of way? I have approached the police and an official of the local county court, but have not received any useful advice. I am afraid that, among other things, the proprietor of the business may eventually gain possession of the land by prescription.

Your remedy lies in proceedings for an injunction, and this may be pursued in the County Court. Your claim would be for damages for trespass (and possibly nuisance) and for an injunction to restrain future trespass. You would be wise

to consult a solicitor and to take proceedings in court if the neighbouring owner is not willing to give undertakings equivalent to the injunction which would be sought.

### Rights of a tenant

My landlord has, under the Leasehold Reform Act, 1967, the right to purchase the freehold of the property in which I live. Could you tell me what are my rights as a statutory tenant during the period between his serving a notice under the 1967 Act and actually acquiring the freehold interest?

If your landlord has served a valid notice to purchase the reversion, you will continue as his tenant. Otherwise you will have become a tenant holding directly of the reversioner when your landlord's lease expired.

### Central heating and rates

Referring to your reply of March 17 under Rateable value increase, in which a reader stated he had installed central

heating five years before, you advised him not to take steps to inform the Valuation Officer, but to let him make a proposal for an increase, if he so wished. While I agree with your advice, is it not the case that in about 1954, it was enacted that central heating installations should not give rise to an increase in assessment for rates? We agree with you that a valuation for rating purposes cannot now be increased on the

sole ground of there having been an installation of central heating; but that position applies to central heating installed since April 1, 1974, not 1954. Section 21 of the Local Government Act 1974 is the authority for this dispensation; and it is presumably intended to encourage the modernisation of properties by removing the penalty which used to attach to the installation of central heating where it was likely to lead to an increase in the rating valuation.

## Payments from Monaco

A lady is divorced from a permanent resident of Monaco. No settlement was made at the time of the divorce but subsequently the ex-husband by word of mouth agreed to send her £400 a month for her upkeep and that of her child, this being her sole income. Can the lady consider the money to be paid after deduction of tax, which I believe to be non-existent in Monaco?

If the divorce was granted by an English court, and if the ex-husband was made in England (or elsewhere in the

UK), then the payments do not appear to be taxable in the hands of either the mother or the child; that is to say that we do not consider the payments to fall within case III of schedule D. If, on the other hand, the nral promise was made overseas, the tax position is not quite so clear; because the scope of cases IV and V schedule D is rather wider than the scope of case III. In the (perhaps unlikely) event of the payments being caught by one of the cases of schedule D, they would at least be exempt from investment income surcharge by virtue of section 21 of the Finance Act, 1978. For 1977-78 only, the excess over £1,500 would be taken into account for investment income surcharge purposes.

## A visitor from Australia

I am a native of the UK and my wife of Australia, but we both lived in the UK prior to September 1976, when we emigrated to Sydney, New South Wales. I draw no income from the UK but we would like to come and spend a holiday in the UK from April to November, 1979. Am I likely to have a lot of UK tax to pay? For 1979-80, you and your wife will both be resident here (for tax purposes) because you will be spending more than 183 days here out of the 366.

Your wife is probably domiciled either in her native state (to be precise, the state in which her father was domiciled at the time of her birth) or in New South Wales. You may have acquired a New South Wales domicile of choice, or you may be considered still to retain your domicile of origin in England and Wales (or wherever it was). It is a pity you did not say anything about your respective domiciles. However, if you have access

to a copy of the Australia-UK double taxation agreement (dated December 7, 1967)—perhaps in a local reference library—you will see that article 3(2)(b)(ii) should enable you to be treated as resident in Australia only, despite the fact that you are actually resident in both Australia and the UK.

So far as we can tell from the limited data, therefore, your visit to the UK is unlikely to be prohibitively expensive in terms of tax.

## THIS TIME last week I was returning my hired VW "Polo" to its owners after nine days and 700 miles of driving around eastern Crete. The car I had hired from an internationally reputable company whose brochure had offered "third party liability and property damage insurance as per the conditions of our insurance policy" with named, but to me, then, unknown insurers.

The brochure detailed nine of what it called "conditions of rental" including two which by no stretch of legal imagination could be called conditions, but which read as follows:—  
"Insurance: the customer can obtain full collision protection by purchasing a Collision damage waiver at Drs 140 per day for car groups ABC... without CDW customer's responsibility for collision damage is fixed Drs 19,000 for groups ABC."  
"Personal accident insurance is available for Drs 55 per day per car." To give you a rough idea of the sterling amounts involved, at the time the exchange rate of 75 Drachmas to the £.

At the outset this was all the insurance information offered, but I had done a little homework by collecting brochures from other operators in the town, only to find them couched in very much the same terms. In all the brochures, as with their counterparts in this country, there was no specific insurance charge mentioned—the insurance cost, apart from the optional extras, was included in the operators' daily and weekly rates.

Maybe I did have a slight edge on other hirers because I did know that in Greece the compulsory law requires the private car to have liability insurance for both injury and damage: what I had not thought to check back at home was whether injury liability cover included for passenger insurance—my deduction from the offer of personal accident cover was that maybe the compulsory liability insurance law did not require my passenger liability to be covered.

Nevertheless, there was little enough to go on and as a potential customer wanting to hire

## Car hire abroad

a car I had felt I was forced either to rely on the judgment and bonafides of the hire operator and assume that he had got the best motor insurance bargain for me and his other customers having regard to his reputation and past experience, or I was obliged to engage in protracted and perhaps fruitless enquiries.

## INSURANCE

JOHN PHILIP

details of the insurance cover: as expected, I got a polite regretful no and an explanation that the policy was held at the main office in another town and then would not be in English. That is, that there were limits of liability, 400,000 Drs for injury and 200,000 Drs for damage; these are roughly at £5,000 and £2,500 respectively and totally different from the unlimited liability required by UK law and from the minimum of £1m damage liability cover provided on hire cars by UK insurers in this country.

What was not explained to me, and what I have since discovered, is that the passenger liability cover provided in fact did not include my liability to members of my own family—cover which as a British motorist I have enjoyed for many years and which I think most Britons will assume is standard all over Europe.

I mention these insurance points because, when one is hiring a car on holiday, one is concerned principally with getting a mechanically sound and safe car from a reputable firm: one is apt to overlook insurance aspects in the urge to get mobile and get away exploring new territory.

Many Britons this year will

be arranging fly/drive package holidays; probably as many will be hiring locally at their destinations; and almost without exception all will have inadequate insurance information, with them at higher motor insurance risk than at home, driving an unfamiliar left-hand drive car, on strange roads, perhaps over difficult terrain, and in alien traffic conditions.

As I have said before in connection with holiday insurance in general — though there has been some improvement in recent years — British tour operators in their brochures and documentation still give too little insurance information to enable the customer to know precisely what he is buying. What is true of general holiday insurance is even more true of the motor insurance details provided in connection with fly/drive holidays sold from this country; doubtless the information is available if the would be holiday-maker digs it out — if indeed he thinks to dig it out or has time to insist on the information being provided. But there is considerable room for improvement in the brochures and leaflets I have examined here at home and they ought to be much more explicit, even though the UK tour operators, their overseas car hire firms and the latter's overseas motor insurers are not bound by the statements of insurance practice agreed by British insurers with the government in 1977.

Improvements can be made here at home, but perhaps not very much can be done to get adequate advance insurance information to the British motorist who arranges his hire abroad, except where he makes arrangements with the firm recommended by his tour operator. Before making the recommendation (and thereby earning his commission) the Tour operator should make certain that full insurance details will be readily available and fully explained: a little pressure on these lines might improve the cover offered and to provide a more extensive list of what to them are optional extras but which are essential features of "Comprehensive" insurance.

## COMPANY PROFILE SPILLERS

RAY MAUGHAM

Spillers is no longer fighting a rearguard action in the troubled baking industry. With hindsight, Spillers French Baking never stood much of a chance over the long term against the twin onslaught of the price controls introduced by the last Conservative government and the competitive edge secured by Associated British Foods after modernisation in 1972.

But the scars of over five years of baking losses may now be allowed to heal cleanly. Management will enjoy the luxury of looking at the whole group with a fresh eye and deciding what parts it wishes to keep, which it wants to rationalise and, above all, of building a worthwhile track record. The chances are that Spillers will be given the go-ahead to prove itself, undisturbed by the attentions of a predator. The food manufacturer has long been regarded as a potential big victim but it has just searched its share register and found, for the time being at least, that no nominee has built up a strategic holding.

The market is now uniformly convinced that profits will reach around £20m pre-tax in the current year and that the dividend will be restored but retains doubts about milling, agriculture and the Modern Maid acquisition.

Modern Maid failed to hit its target last year, a slip which Spillers has attributed to "considerable delays and difficulties experienced with the start-up of new production facilities at Evansville, Indiana." Given that MM was acquired just two months before the decision to close SFB was taken, the deal may be seen as an important affirmation of Spillers' confidence that it could grow in new areas. Details of how the U.S. company failed to meet its budget so badly—Spillers admits

that the shortfall was substantial—are hard to come by. Rectification of certain design specifications of the half completed plant appear to have played a part while the patterns of family ownership seem to have been disturbed by the injection of new management disciplines from an overseas public company.

Competitive pressure, the group stresses, precludes the publication of divisional profits but stockbrokers Henderson Crosthwaite are probably near the mark with an estimate that milling contributed around £10m at the trading profit level last year against £11m.

Whatever the case, milling is by far the most important division. Total trading profits last year amounted to £18.24m against £13.47m and Spillers faces the problem of replacing consumption by Associated British Foods and Ranks Hovis McDougall when current agreements run out in 1983 and 1985 respectively. It may be that the deals will be renewed although the decision is still some way off. At any rate, Spillers is confident that the independent bakers, which probably control 30 per cent of the UK bread market, will support deliveries from its own mills. Moreover, some 40 per cent of flour production is used in other divisions. But Spillers is by no means immune from the difficulties faced by a market where the long term decline in bread demand appears to be accelerating—white bread deliveries dropped by 9 per cent in the fourth quarter last year.

Many parts of the group have performed well. Mario and Franco restaurants produced record results, domestic foods also hit a new peak despite the high street price war (the transport strike boosted sales of tinned meat and pies) and the petfoods division stands in second place in a buoyant market. The market is now hoping that in the absence of baking's drain on management time and resources the clouds in agriculture, milling and Modern Maid will be quickly dispelled.

## A question of boom or bubble

A QUICK GLANCE at the latest quarterly income and dividend figures from major groups and individual mines suggests an industry breaking through to new levels of prosperity, thrusting aside the had memories of a recession lasting three years. But it is as well not to be too hasty in making a judgment.

Many economic indicators affecting mining have substantially improved since the 1978 third quarter, said Mr. Ulrich Rath, mineral research coordinator at the Mining Association of Canada. The question is whether "we are witnessing the beginning of a genuine boom or just a short-term bubble."

There is no clearcut guidance from the companies themselves. Obviously too much should not be read into the results of one quarter, especially in view of a reluctance, among companies, to look more than a few months in advance.

last year and \$2.07 for the whole of 1978. The recovery in profits which first became marked in the last quarter of 1978 has continued, but Mr. Paul Douglas, the president, would go no further than a prediction that the recovery would continue for around six months.

At Rio Algom, the Rio Tinto-Zinc group's Canadian arm, first quarter net profits were

CS\$19.2m (£8.2m) and a first dividend of 75 cents (35p) was declared. In the same period of 1978 the profits were CS\$12.8m and the dividend was 54 cents. But the company warned that the high level of earnings would not be necessarily maintained for the rest of the year.

year Asarco had a net loss of \$11.1m. This has been turned round into a 1979 first quarter net profit of \$97.3m (£15m), and during the week the quarterly dividend was doubled to 20 cents (8.9p).

Such improvements in corporate profits, added to the shortages which have appeared in certain varieties of high-grade copper, have stimulated companies to bring back into operation capacity closed down over the last three years. But brand new projects remain a rarity.

This week, however, Teck Corporation, the expanding Canadian group, stated it would start work next month on the development of a copper-molybdenum deposit in the Highland Valley district of British Columbia. The investment will be C\$150m (£63.5m).

De Beers Consolidated Mines, the South African leader in the international diamond market. At the end of last year, its cash balances stood at R1,299m (£748.9m). In the course of a record 12 months they had doubled.

Whether the 1978 net profit figure of R741m will be much exceeded in 1979 is open to doubt. In his annual statement, Mr. Harry Oppenheimer, the chairman, was vague. "I believe it will prove to be a satisfactory year for De Beers," he said.

Certainly the conditions on the diamond market were abnormal last year—the boom, especially in the first half, was hectic and unprecedented. But trading is quieter now. Demand for rough stones continues at "a high level," but Christmas jewellery sales were lower than expected.

This year De Beers will benefit from the prices rises of last year and this could compensate for any modest downturn in the market. What the group will be anxiously watching is the progress of the economy in the U.S., its biggest market.

In the U.S., Freeport Minerals announced that aborty it would report 1979 first quarter earnings of about \$1.49 (70p) a share, compared with 49 cents in the same quarter of

## HOW TO BEAT THE MARKET

The following six shares were among those recommended in the IC News Letter in 1977 and were all showing increases of at least 150% when the latest comprehensive table of our 1977 selections was published in February of this year. Even the average capital appreciation of all 54 shares recommended in 1977 was 74.1% compared to an equivalent increase of 6.6% on the FT Index, and a further improvement has occurred since, exemplifying the staying power and sound fundamentals of most IC News Letter recommendations (although profit-taking remains an important part of the News Letter's advice).

## Where else could you make this improvement on your savings?

SHARE	Recommended Price p.	Price at Feb 23	Appreciation on Recommended Price	
			At High	At Feb 28
Automated Security	15	118	+720.0	+686.7
Cosmos & C. Prop.	17½	71	+305.7	+305.7
De La Rue	119	355	+320.2	+198.3
Endeavour Res.	8	20	+227.5	+150.0
Northern Reg.	42½	120½	+284.1	+183.5
White Industries	AS 0.91	AS 3.30	+284.6	+282.6
All 1977 Selections	438.1	467.0	+104.1	+74.1
FT Ind. Ord. Index			+22.2	+6.6

Since 1966, when comprehensive follow-up tables were introduced and have since been published in the IC News Letter, the IC News Letter's weekly share recommendations have on average beaten the FT Index by substantial margins, averaging well into double figures (based on share prices a year after recommendation).

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Handwritten note in Arabic script: "بسم الله الرحمن الرحيم"

YOUR SAVINGS AND INVESTMENTS

EDITED BY EAMONN FINGLETON

Property prices have boomed in the past year—but how much have investors in property bonds benefited? Ray Maughan thinks they should have few complaints

High-rise property bonds

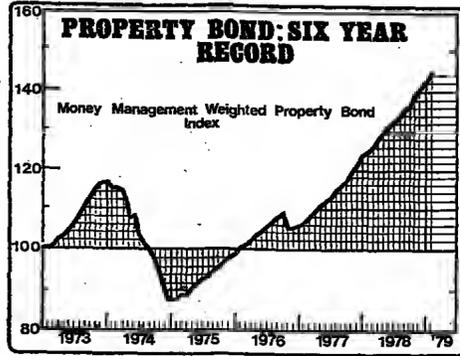
PROPERTY BOND managers have had a lot to live up to recently. The latest Economist Intelligence Unit's aggregate index of commercial property values rose by 26 per cent in 1978. And the FT-Actuaries property share index, which hit a 1978 peak of 270.23 late last December, has topped 300 this week.

Measuring property price trends, however, is notoriously difficult and the EIU acknowledges that its index, calculated as part of a project for Michael Laurie and Partners, probably overstates last year's boom. One point to bear in mind is that the index has an equal weighting of office, retail and industrial property.

So in an attempt to get a better yardstick for measuring property portfolio performance, the EIU aggregated a wide range of actual portfolios managed by insurance companies, pension funds, property trusts and property unit trusts.

The value of this £1.5bn portfolio rose by 14 per cent in 1978 reflecting a near-50 per cent weighting towards the office sector where values are estimated to have risen by only 12 per cent.

Adding in rental income, the total return on the portfolio last year was 20.8 per cent. That still gives the property bond manager a good target to beat and his chances of success may



have been enhanced by an above-average weighting in the shop sector, where the return was 24.1 per cent, and in industrial premises where the return was 23.3 per cent.

Although comparisons must always be rather tentative due to the imperfections of the property market (property cannot be traded as readily as equities and the purchase of an individual site can swallow a large tranche of cash flow), the property bonds appear to have beaten EIU's portfolio performance—but not by very much.

The Money Management Weighted Property Bond Index, which covers the 10 largest funds, showed a rise of 15 per cent last year.

Few grounds for complaint then by bond holders. Yet direct institutional investment in property has fallen. Latest figures from the Central Statistical Office show that property accounted for 21 per cent of institutional cash flow in the first quarter of 1978 and then fell to 11 per cent in the following three months before making a marginal bond.

Prime yields, stockbroker W. Greenwell commented last week, are looking expensive in relation to equity yields. The EIU agreed that yields of 4.5 per cent for prime City space "must now be nearing the limit."

The prospective bond holder should realise that, if Greenwell's and the EIU are proved right, the investment emphasis will turn to secondary properties and the resurrection of new developments. The system in the value of prime completed sites may start to level out.

Money Monitor

Assisted passage

The Port of London Authority is not in quite as much of a mess as the Mersey Docks and Harbours Board was in 1970—but it is heading that way.

This week's report and accounts must make sombre reading for holders of the £20m of outstanding port stock. Losses doubled in 1978 to £17.6m, and Sir John Cuckney, the public sector trouble-shooter brought in to save the PLA, admits that the port is now technically insolvent.

Against total reserves of £54m in 1974 the port now has an accumulated deficit of £3.5m and having lost £4m in the first 12 weeks of the current year (partly due to the Jorry drivers strike) the port looks like sinking deeper into the red.

Last year the volume of business dropped by 3 per cent and the PLA is not very optimistic about increasing its trade.

The other problem is that with £100m of debt, interest charges are crippling the PLA and so some sort of capital restructuring is inevitable if the port is to survive and invest the £60m or so over the next five years that it reckons is necessary.

The situation is not yet, however, as bad as it was when Mersey Docks defaulted in 1970. For a start the loan stocks are secured on the assets as well as the revenues of the port. In a break-up, investors would benefit from sales of some of the valuable property. In addition, following the Mersey Dock debacle, the Government can now make loans from the National Loans Fund to prevent another default. This, however, is not the same as an official guarantee.

The 61 per cent registered Port Stock 1987-90 is yielding just over 20 per cent at its current price of 40. If you think the PLA will still be around in five years time, the investment will have paid for itself.

Source search

If the recent bid for Debenure Corporation has whetted your appetite for the investment trust sector, you will have a job finding out which shares to back.

Private investors are largely excluded from the lavish investment trust information services many big stockbroking firms provide for institutional clients. And smaller stockbrokers, are not only unlikely to be well-briefed on investment trusts but are likely to prefer to shepherd private clients automatically into unit trusts. These are much more profitable from a stockbrokers' point of view.

The best starting point for private investors is probably the Association of Investment Trust Companies' monthly statement of members' assets per share. This is normally published in the Financial Times on the third Friday of every month. The figures refer to a few weeks earlier but investors can update them fairly accurately by extrapolation using 30-share and Dow-Jones indices.

Among major stockbrokers, Wood Mackenzie is one of the few firms which keep private clients regularly informed on developments in the investment trust sector. Its arrangements depend on individual circumstances but a client whose shares turnover reaches more than £10,000 a year would be considered for a free monthly investment trust review including a print-out of up-to-date asset values. The service is also available on a fee basis to clients who deal less actively.

Wood Mackenzie's address is Erskine House, 68-73 Queen Street, Edinburgh EH2 4NS (Tel: 031 226 4141).

You get cards summarising a trust's financial positions and history from Extel Statistical Services, 37-43 Paul Street, London EC2A 4PB for £1.15 each including postage.

The Association of Investment Trust Companies now publishes a yearbook covering all members. The second edition, to be published at the end of May, can be ordered at a special pre-publication price of £7.50 from Financial Times Business Publishing, Minister House, Arthur Street, London EC4.

In the topsy-turvy world of modern investment theory, the mediocre is beautiful, writes Barry Riley

The random walker's guide

THE JOB of a portfolio manager is to pick a selection of attractive shares. Right? Wrong, says Paul E. Richards in his new book on the behaviour of stock markets. The best portfolio is the one that shows the most growth in a given period. True? Probably false, says Richards in a volume which seeks to debunk some of the cherished claims and assumptions of the professional investors in the City.

Modern portfolio theory has had a tremendous impact on investment management in the United States, but has been slow to take root on this side of the Atlantic. The main reason is that, for the investor (and especially the professional investor) it is pretty unpalatable stuff. For the essence of the theory of efficient markets is reflected in share prices and it is not possible to make money simply by being cleverer than the next man.

Nobody claims that the theory applies in absolutely every case. If the chairman of Foster's Hen Netting tells you at the golf club that he is quietly buying more shares, and you should too before the bid news comes out, that is inside information which will enable you to make superior returns.

But the big companies like Shell or United Biscuits or Tube Investments are constantly being put under the microscope by investment analysts and their shares are constantly being traded in a competitive market.

The greater chance of making money in the small company sector is one reason why so many fund managers have recently chosen to dabble in off-beat shares which, once they would have turned their noses up at. For the managers of big funds have come up against a harsh fact which cannot be ignored: in the long run they do not manage to beat the market indices.

In the U.S. this failure has led to a big move by many funds away from normal investment management techniques, and the promotion of "index" funds which seek to duplicate

the structure of a key market index. If you buy the index, you cannot underperform it (ignoring costs). Attempts to sell the same idea are being made in the UK but—apart, it is said, from one pension fund—the resistance is stiffer.

All the same, big changes are taking place in the attitude of institutional investors in this country. By and large, claims about performance have been toned down, and a broadly spread approach is taken. Not much time is spent on the individual choice of shares—whether the fund should buy Shell or BP. This is left to investment analysts at firms of stockbrokers. Instead, the fund managers carefully keep track of the different sectors in their portfolios, and how they compare with the weighting in the market as a whole as measured by the All-Share Index and its many subdivisions.

Fund managers also constantly debate whether they should be fully invested or partly liquid, whether they should be buying shares in foreign markets, and whether—if their terms of reference extend that far—they should be investing in property, gilt-edged or perhaps more adventurous alternatives.

This changing approach of the big fund managers fits in to varying degrees with the ideas outlined by Paul Richards, a City merchant banker. He certainly does not argue that because markets are efficient there is no place for the portfolio manager. Even the kind of company reviews produced by stockbrokers' analysts are worthwhile, for although self-defeating they are paradoxically necessary to maintain the efficiency of the markets.

Only technical analysis based on past share price data, such as chartism, is dismissed as being absolutely futile. Elsewhere portfolio managers can search for markets which are not efficient; it is arguable that the gilt-edged market is one such, because at times it is dominated by one individual trader, the Government broker.

And a key role for the investment manager is in the assessment and management of risk. Different investors can accept different levels of risk, and the varying returns they entail. Nowhere is risk adjustment needed more than in the case of unit trust performance, an area where investment theory merges into advertising and salesmanship. Here, the public is asked to put up money on the basis of short-term performance calculations which are rarely toned down with warnings about the riskiness of the portfolio other than the standard caution that "share prices can go down as well as up."

It is well known that it is very unwise to buy the unit trusts which are topping the one-year performance tables. All too often they finish near the bottom a year later. At the end of 1978, for example, the specialised for eastern unit trusts were romping ahead at the top of the rankings. Recently they have looked pretty sick.

This makes sense on the basis that the chart-toppers are likely to be high risk trusts, of a type which will show highly diverse performances. They are likely to dominate the top placings, and the bottom placings as well. Richards quotes evidence that the reason new unit trusts have tended to figure strongly in the performance charts is simply that they show widely dispersed returns caused by poor diversification. The top performing new trusts catch the eye—but the evidence shows that new unit trusts are also more likely to figure at the bottom of the table.

The message is that the most attractive, best-managed unit trust could well be one that is unassuming and unnoticed, nestling somewhere just above the middle of the list. To some extent its merits will come to the fore over a long time span. But even then its position could reflect one big gamble which came off, and which might do the other way if it were ever renewed.

UK and European Share Price Behaviour: The Evidence by Paul H. Richards; Kogan Page; £12.00.

RIDING THE BOOM: HOW THE BIG TEN FARED

Table with 4 columns: Fund Name, Value of Fund, Rise in price during 1978, Rise in first two months of 1979. Lists funds like Abbey Life, Hambro Life, Property Growth, etc.

Source: Money Management

Four days in the life of a cheque

EVER WONDERED what happens to your cheque after it has been paid in at the bank? Well, Sinclair Veal is the man to tell you. He runs the Bankers Clearing House at 10 Lombard Street and they call him the chief inspector although not all his predecessors were described as such. The first one was a publican and ran the "Five Bells," late of Dove Court.



Veal: £14bn a day

BANKING

WILLIAM HALL

In fact Veal's job is one of the simpler parts of the operation. The life of a typical cheque starts when it is paid in over the counter of a bank. If the cheque is drawn on another bank it leaves for London by overnight security van and arrives at the bank's clearing department just before 9 am the following morning. It is then sorted and picked up by one of Veal's 20 odd electric cars (they can carry up to 300,000 cheques at a time) which deliver it to the clearing house between 9 am and 11.45 am.

At 12.15 hours all the various banks' cheques are shuffled around on trolleys and set back in the individual banks before lunch. This is known as the "general" clearing and although it accounts for the bulk of the country's cheques, the most money changes hands

in the afternoon at the "town" clearing which takes place between 2.30 pm and 4.45 pm. This deals with cheques for more than £5,000 face value drawn on any one of the 100 odd branches in the City. This takes in such things as Stock Exchange and money market transactions and last month an average 20,000 cheques a day with an average

value of £12.5bn went through town clearing. Normally, the clearing house handles about ten tons of cheques a day which, if stacked on top of each other, would reach five times the height of the Post Office Tower. However, Veal and his men are modest about their contribution to the economy. They stress the simplicity of the operation

which is admired the world over. But one hates to think what would happen if they lost a van or mislaid a container—the economy might grind to a halt.

While the backroom systems at the respective banks have been revolutionised over the past decade by the advent of the computer, Veal's operation has not changed much over the last century. In the old days clerks used to walk around the banks presenting cheques for payment and getting cash in return.

To cut down time and enable the banks to hold less cash the clerks decided to take a private van at the "Five Bells," a pub just off Lombard Street, where they swapped cheques with each other. As business grew they overflowed into the house next door, belonging to a Mrs. Irving. Finally, in 1833 they built the clearing house at 10 Lombard Street.

Today, the clearing house operates in much the same way as it did 150 years ago. The main real difference is that instead of messengers arriving with sacks of cheques on their backs they now bring them in plastic containers in electric trucks.

Cheques which go through "town" Clearing (over 90 per cent of the total by value) are sorted the same day. But the cheques in "general" clearing, drawn on provincial branches, first go back to the sorting office of the bank and then overnight back to the branch.

On the morning of the third day the cheque appears at the branch on which it is drawn. The local manager then decides whether to honour it or not, and in the case of the latter he has to return it the same day. Finally, on the fourth day the customer is allowed to draw out the money credited to his account on the first day.

Just add sunshine

The captive fund idea also has attractions for businessmen who want to pursue a more conventional investment strategy with their retirement savings. The prospective pensioner can invest the money in almost any equities and gilts he chooses so he can enjoy the thrill of playing the stock market direct.

Stanley Jackson, the managing director of Towry Law's pension arm, warns that captive pension schemes are not the panacea they are sometimes portrayed. Under current Inland Revenue rules, for instance, captive funds cannot lend back more than half their money to the prospective pensioner's business. And the assets the fund invests in must meet exacting criteria: they must be realisable at the time the pensioner retires and they must fall within the range of investments that a normal pension fund might consider.

That said, the possibilities are enormous. The funding rates the Inland Revenue allows are

often astronomical. In the case of a 45-year-old planning to retire at 60, for instance, his business will be allowed tax relief on transfers each year equal to as much as twice his annual salary. The multiple in the case of a 55-year-old might be as much as four.

Advertisement for London Life insurance with large text: "A 78% increase in new annual premiums, and a new venture into unit linked assurance?"

Advertisement for London Life insurance including a form to request a report and accounts for 1978, and the London Life logo.

PENSIONS

EAMONN FINGLETON

They first caught on about four years ago as custom-built vehicles for the very rich. Now Towry Law looks like doing for them what Henry Ford did for motor cars: it may be only a matter of time before they will be as natural an investment option for successful shopkeepers as personal pension plans are now.

Captive pension funds are open-plan schemes where the prospective pensioner is a trustee. In practice, therefore,



TRAVEL

هنا من السفر

Drive, walk, climb, fish, ride or just look at the Rockies

TIME differences being what they are, at the moment today's newspaper is plopping onto British doormats I should just be going to bed in Denver in preparation for a drive to Moab, Utah. Route 70 is a familiar road, but I have yet to see it without a surrounding of snow, and there is a good chance that there will have been a white backdrop for much of the journey this time, too. Denver itself is a mile above sea level and yet is only in the plain below the climb into the Rocky Mountains themselves. Some of the passes are above 13,000 feet, enough to leave cars gasping for air, and drivers too if they are over-energetic in finding a picnic place.

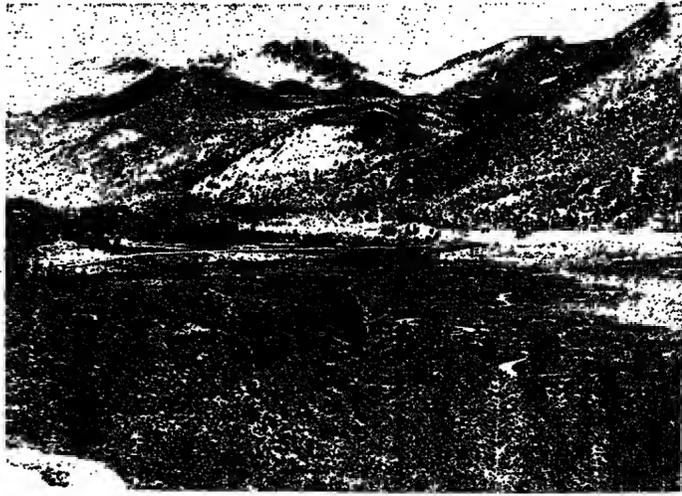
most obvious entry points to U.S. Rocky Mountain country are Denver, Salt Lake City and Albuquerque. All these will bring you into the lower half of the Rockies. The Northern area, including the Tetons, is accessible from such airports as Butte and the tiny Bozeman. If you fly from New York or any other East Coast city to Bozeman (make sure you pre-book your rental car) you will get a considerable culture shock, but a pleasant one. Bozeman is a small place in big country. Denver by contrast is a sprawling metropolis, pleasant enough in its way but, as Michelin would say, not worth a diversion. You can eat and shop in Larimer Square, a refurbished 19th century area, but after that head for the hills. Salt Lake City is worth a bit more time, if only for the Mormon and their influence. Try to hear the Tabernacle choir; they really look and sound impressive. Albuquerque is very strong exploration, particularly for its Spanish associations. But frankly the choice of entry point should largely be made on the basis of which part of the Rockies you wish to visit next.

From Canada in the north to New Mexico in the south the great barrier of the Rocky Mountains is the largest natural playground in North America. Arthur Sandles in the U.S. and Sylvie Nickels in Canada describe their favourite haunts and pastimes.

to mid-September. Try to avoid July and August when the main wish of domestic American tourists is in full flood. If you are camping you'll be lucky to find a place then. There are more than 700 miles of marked walking and riding trails. For details of long horse trips with overnight camping take along a waak write to Rocky Mountain Outfitters, Box 778 Columbia Falls, Mont. 59912, U.S.A.

There are guided walks and an attractive mountain guest Houses Fort-owned hotel, has horseback rides. (Rocky Mountain National Park, Estes Park, Colorado 80517).

ON OUR way to Cameron Lake that very early morning in July we were wowed down by one of the park rangers. Beware of bears. It was the import of my message or, rather, of a particular bear which had recently and very unusually attacked a child. With a full alert on our selected forest trail was closed. Instead, we pottered about the lake shore, along with the red-polls and slate coloured juncos collecting their breakfast among the pebbles backed by mountains rising out of their own reflections in waters turned to glass by the morning calm.



Looking across Estes Park, Colorado.

In this area spring comes late, but it comes spectacularly. Suddenly there is an abundance of flowers and the constant sound of rushing water. All that snow melts in some of the world's prettiest waterfalls. It is a bit early for the best of it at the moment, with a very strong chance of snow flurries and cold nights. June is probably the best time, closely rivalled by September when the Aspen and Pine trees combine to produce spectacular colouring. My own romance with the Rockies started many years ago and I don't think I have ever been disappointed with any part of the range, from the wild forest lands of Montana and Wyoming where you are likely to meet more bears than people, down to the rugged heights of New Mexico, still heavy with Indian and Spanish-American culture. For the European visitor the

The best focal points for seeing the Rockies in the U.S. are the National Parks, which are well policed and maintained in the sense that you will find well marked trails and an absence of signs of vandalism. Right against the border with Canada is the Glacier National Park, Montana, one of the few remaining places where there are grizzly bears in the wild. The main season is from mid-June

The really high stuff, complete with bighorn deer and mountain sheep, can be found at the Rocky Mountain National Park in northern Colorado. This is particularly attractive territory for those who enjoy Alpine-style mountain-walking—the main difference here is that there are many fewer people in the northern Colorado than in the Austrian or Swiss Alps, so do not rely on finding

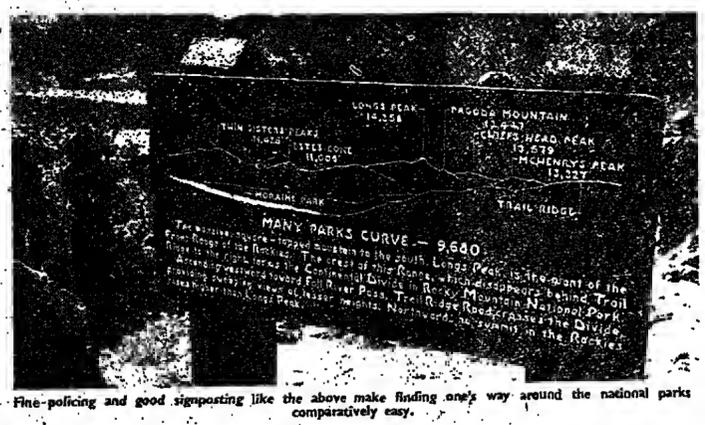
Back into Colorado on our trip south and you come across the relatively small, but fascinating Mesa Verde National Park, of particular appeal to anyone interested in Indian culture. Here, long before Columbus arrived, a civilisation arose whose population lived in cliffside dwellings the remains of which are still to be seen. Then, seemingly in some haste, the residents departed, whence and why no one knows.

Puritans might argue that Bryce (an amazing city of stone in spectacular colours), Zion (another canyon area complete with desert wildlife and impressive rock colours) and the Grand Canyon National Parks are not part of the Rocky Mountain scene but, for someone who has travelled thousands of miles from Europe to see this are such definitions are pedantic.

Today Banff is a bustling tourist hub of the Rockies, lying on the direct path of the Trans-Canada Highway. Coming from Waterton Lakes, we could have reached it by paved Highway 93, but we followed local advice and instead took a section of the Forestry Trunk Road, a mostly dirt road which runs for hundreds of miles north along the eastern fringes of the Rockies.

It had the great joy of being blessedly traffic free even in high summer and gave us an unforgettable day of peaceful driving ever closer towards magnificent mountains, shaped and massaged by eons of weathering into exquisite colours and extraordinary contours.

In Banff you can get all the details about local drives, walks, climbs, fishing, riding, golf, wine, dining and healthy spots. Indeed, the combined many thousands of square miles of Banff and neighbouring Jasper National Parks form one gigantic beauty spot, the degree of it simply varying from breathtaking to even more breathtaking. The stupendous loveliness of these high altitude landscapes threaded by lakes, each overhung by craggy moun-



Fine-policing and good signposting like the above make finding one's way around the national parks comparatively easy.

insuperable, that is, until William Cornelius Van Horne achieved one of the miracles of world engineering history by pushing the tracks through the middle of it. In 1883 CP had reached Sliding 29 prior to overcoming the final obstacle of Kicking Horse Pass. It had been not only a mammoth but a fantastically expensive operation and it had to be paid for. One of the answers was tourism and so Sliding 29 gave birth to Banff, and the splendid French-style

chaletau of Banff Springs Hotel was built. Today Banff is a bustling tourist hub of the Rockies, lying on the direct path of the Trans-Canada Highway. Coming from Waterton Lakes, we could have reached it by paved Highway 93, but we followed local advice and instead took a section of the Forestry Trunk Road, a mostly dirt road which runs for hundreds of miles north along the eastern fringes of the Rockies.

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tains and glaciers that look as if they have been there for ever, lives every jot up to its reputation. Sometimes it is the contrast of so grandiose a wilderness, on such a massive scale, that seems at odds with the presence of such highly civilised ease of access. You can take a snowmobile trip on the Columbia Icefields, the world's largest south of the Arctic Circle. You can drive, impeccably signposted, to one after another of unbelievably beautiful viewpoints. You can, with barely the effort of setting out of your car, read well-placed notices offering you instant geology, geography, natural and human history. You can drive your trailer into a camp site and enjoy every modern amenity. All this, of course, makes it very much easier for those large numbers of us who never allow enough time to stop and stare. The choice is there. If you regret the crowds cluttering up the magnificentness of Lake Louise, you can go to Peyto, one of the most glorious of all the lakes, where there are rarely many people and none at all at sunrise, which is the best time of all. And if you want more lasting solitude there is, heaven knows, space enough and marked trails in plenty, given enough time to make good use

of a rucksack and a pair of walking boots. Two other camos remain indelible. The most endearing was of the Great Divide; whatever I had expected, it was not this modest trickle issuing from a boggy bit of forest near Lake Louise, shortly dividing into two even more modest trickles, one of which would eventually reach Hudson Bay and the North Atlantic, the other the Pacific. The second was near Kicking Horse Pass. It is here that the railway does its most extraordinary and most triumphant contortion to defeat the mountains and, by means of spiral tunnels, doubles back twice upon itself to come out more or less at the same place it goes in, only at a considerably different level. In due course, having abandoned road for rail, we twirled through the Spirals ourselves, westbound on the 500-mile or so stage from Siding 29 to Vancouver. The ideal way of seeing the Rockies is by freewheeling arrangements with car or caravan/camper, and information on these and other tours are given in "Canada Holidays 1979," free from the Canadian Government Office of Tourism, Canada House, Trafalgar Square, London, SW1.

TRAVEL

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A FINANCIAL TIMES SURVEY AMERICAN TRAVEL AND TOURISM November 17 1979 This Survey is planned to precede the British Travel Agents' Convention in Los Angeles, starting November 18, 1979. For advertising information and editorial synopsis contact: ENGLAND Derek Rome Financial Times 75 Rockefeller Plaza New York NY 10019 Tel: 01-248 8000 Ext 7181 Telex: 885033 FINTIM G USA Laurence Allen Financial Times 75 Rockefeller Plaza New York NY 10019 Tel: 489 8300 Telex: 238499 FTOL UI

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WORKING MOTORS  
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GOLF

An invidious choice

BY BEN WRIGHT

IT APPEARS more than probable that the Great Britain and Ireland amateur team will recapture the Walker Cup for only the second time since World War II when the biennial match against the United States is played at Muirfield on May 30 and 31. The tragedy is that if our men, led by Yorkshire's courageous Rodney Foster, the non-playing captain, do happen to pull off this rare feat, the Americans will have the built-in excuse that their three or four best men were unavailable to play.

This ridiculous state of affairs has arisen because the National Collegiate Athletic Association Championship has been moved forward from its June dates, so that its first round will be played at Bermuda Run Golf Club in Winston-Salem, North Carolina, on May 29 when the American team leaves for Kennedy Airport. Yet since the Walker Cup match was instituted in 1922, it has been played in these islands 13 out of 14 times in May. Only once, in 1963, was it played in June at St. Andrews, when ironically we recorded our first of only two victories. The other was achieved at the same venue in May 1971. Against those solitary successes, the Americans can boast of 23 wins, while we scraped out with an 11-11 tie in Baltimore in September 1965.

Needless to say, the officials of the NCAA and the United States Golf Association, who are responsible for the Walker Cup team and stage the match when it is played on American soil with the generous hospitality for which the nation is famous, blame each other. The only real losers are the players.

Eight brilliant young golfers were forced into an invidious choice between college and country. Bobby Clampett of Brigham Young University, leading amateur in the recent Masters Tournament, and the foremost amateur in America; U.S. Amateur champion John Cook, who also lasted four rounds at Augusta; Gary Hallberg of Wake Forest University, already a Walker Cup player in 1977; and Cook's Ohio State University teammate, Mark Balen all chose to play for their colleges.

As golf scholarship woeers to their respective seats of learning, they all felt—and who can argue—that they would not have been in a position to be chosen for their country, had it not been for the generous

opportunities afforded them to improve their golf at college. Four students, 19-year-old Doug Clarke of Stanford, Mike Gove (21) of Weber State, Griff Moody (20) of University of Georgia, and Hal Sutton (20) of Cienary University, found the attraction of a three weeks trip in Britain automatic by Yorkshire's courageous Rodney Foster, the non-playing captain, do happen to pull off this rare feat, the Americans will have the built-in excuse that their three or four best men were unavailable to play.

Possibly the most stupid aspect of the whole affair is that there is no direct clash between the actual fixtures, in that the first official function of the American team is to attend the flag-raising ceremony on Tuesday, May 29, on the eve of the match and the NCAA Championship ends the previous Saturday evening, the 26th. The USA insist that departure on the 23rd is essential if non-playing captain Dick Siderow is to find out anything about the players he had never previously met, let alone seen play.

There is also—according to the USA—an important social significance in the event, like nothing to know one's teammates and the opposition. Team spirit is important, as was discovered to our cost in the 1977 match to Long Island, when the English and Scots who comprised our entire team appeared to resent each other's presence.

But on this occasion there was obvious room for compromise between the two official bodies. The four players who agonised before putting college before country could easily have reached Muirfield in time to practise on Monday and Tuesday alongside their team-mates. The course is easily our most simple links layout to learn, if only because all the hazards are clearly in view.

The quartet in question would certainly arrive fully prepared after the most important event in their college calendar. Surely the NCAA people must have been out of their minds to reschedule their premier event in the knowledge of the Muirfield dates and the traditional early departure of the American team. But the spirit and traditions of the game are too often ignored these days. I was re-reading Jack Nicklaus's excellent book, The Greatest Game of All, earlier this week,

and one paragraph from it makes the point perfectly. "The memory of the 1959 Walker Cup match was still fresh in my mind. I had never stopped looking back to it, not only because that match has changed me from a good junior golfer into a good golfer, but also because that whole week at Muirfield—the preparation for the match, as well as the match itself—had personalised sport at its best, people at their best, the world at its best."

Well said, young man. The British players will be thwarted if they beat a sub-standard team.

THE DIFFICULTY with most tender vegetables is that a lot of growth must be crowded into a comparatively short time if one is to do any good with them. In all but the mildest parts of the country it is unsafe to expose them in the open before the end of May at earliest and that leaves only the three months of summer for them to grow and, with luck, a further five or six weeks of early autumn for maturing and harvesting.

Of course no such problems arise if the climate can be controlled in a greenhouse but for outdoor cultivation one has to use special stratagems such as starting under cover, even if it is only the cover of a sunny window, and timing things so that the plants do not get too large to be manageable before it is safe to plant them out. One can also search out the fastest growing varieties.

That is what outdoor tomato growers have been doing for the best part of a century. Years ago Carl's Sunrise was usually restricted to a single stem tied to a cane or supported by soft string tied to an overhead rail or wire and all side shoots are removed at an early stage. It is economical of ground space but it takes a little time and care whereas, apart from watering and feeding, the bush or determinate tomato requires little attention and can simply be allowed to sprawl on the ground.

The raisers of Arla, recommended planting it 2ft apart about the second week in June and suggest sowing six weeks before this. I prefer to give more a week or so longer and plant out during the first week in June even if it means protecting the plants with cloches for the first few days. There are usually some to spare by then. The fruits of Arla are not very large but they are numerous and sweet and they really do start to colour early.

ALTHOUGH first class cricket began in its usual haphazard fashion with the odd three-day fixture last weekend the season really commences today and tomorrow, when all the counties will be involved. Saturday sees the first zonal round of the Benson and Hedges Cup, and Sunday the start of the John Player League.

In the area stages of the former, three sacrificial teams are included, Minor Counties South, Minor Counties North and a combined eleven from Oxford and Cambridge University to make up the 20 sides. The two winners from each of the four zones eventually meet in the quarter finals when it could be said that the Benson and Hedges competition really comes to life and the crowds arrive.

The current holders Kent, with one assumes their Packer men available for all the games, as it is unlikely that the English selectors will grant an immediate amnesty must stand an excellent chance. They certainly possess the right ingredients: a batting line up containing class, stroke makers and depth, a reasonably tidy attack plus Derek Underwood,

Delicate vegetables

GARDENING

ARTHUR HELLYER

In my cold part of Sussex outdoor tomatoes can never be regarded as a fully reliable crop but I get on very well with sweet corn. My method is to use a quick maturing variety, sow it singly in small pots or soil blocks during the first week in May, germinate and cover and plant out early in June, covering with a polythene tunnel cloche if the weather is still cold or windy. Sutton's First of All and Earliking have been my best varieties for some years but this summer I am trying another. Hurst newcomer named Kandy Cob which is said not only to be very fast growing but also to be extra sweet and to retain this sweetness unusually well.

I have reluctantly come to the conclusion that, for the time being, at least, box-sowing must also be accepted as the best method of raising runner beans. For years I sowed them out of doors where they were to mature, with excellent results, but latterly germination has been so poor and irregular that

a start under cover seems essential. What has made the difference I have no idea but I have heard similar complaints from other gardeners so I do not think it can be a purely local difficulty. Fortunately beans transplant well but runners are even more tender than dwarf beans and would not trust them outdoors until early June without cloche protection.

Runner beans are worth a little trouble for I know of no crop that gives such a good yield for the ground space occupied.

Marrows can be quite profitable, especially the cur and come-again, courgette varieties which most people now seem to prefer to the old-fashioned monsters. Zucchini is the one that suits me best but there are several good ones and it is wise to experiment with several before settling down to one.

Outdoor cucumbers I find difficult. They need more warmth than marrows and, I checked by cold, it is almost impossible to get them growing again. No doubt those who live in warm places have few problems but I am now leaving sowing as late as mid-May and not attempting to plant out until the second

week in June. Even so, I shall probably find a few cloches discarded from earlier crops, to give them a sheltered start.

I have had no success at all with either capsciums (sweet peppers) or aubergines out of doors, but they can be grown successfully in warm sheltered places. Those boiler-like plastic bags filled with peat plus nutrients which have already revolutionised commercial tomato production are now bringing plants into places they have never occupied before. Anyone with a south-facing balcony that does not get too savagely blasted by wind might consider capsciums and aubergines as a more exotic alternative to tomatoes.

The timing and method of starting seedlings is similar and it is equally necessary to use fast-maturing varieties such as capscium Canape and aubergine Slim Jim. Tips should be removed from the seedlings when about 15 cm high to make them branch more rapidly than they would do naturally. Outdoor it is unwise to attempt to obtain more than four aubergine fruits per plant but there is no need to restrict capsciums. Incidentally, when growing any crop in peat bags it is vitally important not to let them get really dry at any time and also to start feeding early, after about three or at most four weeks.

The first-class sponsorship stakes

CRICKET

TREVOR BAILEY

The first Schweppes championship match also commences this weekend when Derbyshire under their new Captain David Steele meet Hampshire. They are interesting outsiders, but the probable loss of Taylor, Hendrick and Miller, on international duty is likely to prove a genuine bargain in PR terms.

The appeal of the John Player League is obvious. First there is the condensation into five hours. Secondly more people are able to watch either live or on television than on any other day in the week. Thirdly the competition was specifically designed for T.V. Fourthly the small maximum of 40 overs must increase the chances of an exciting finish. Finally, a new audience of cricket followers has been acquired by this version of the game. Hampshire, who won the title last year—though nobody outside the county are quite sure either how, or why—are unlikely to retain it. My own bet would be on Somerset and Lancashire.

The cigarette firm has not disclosed the size of its sponsorship fee, only the prize money, but combined it must be in excess of £150,000, which represents a genuine bargain in PR terms.

cricket, but it must be admitted that in contrast the Cornhill Test series against India, is likely to have only limited appeal. After their convincing win over a sub standard Australia this winter, England needed stronger opposition than the tourists are likely to provide in this country, in order to judge their true worth in test cricket. Mike Brearley should win this rubber without undue difficulty and presumably the inevitable drop in interest will be taken into consideration by the TCBB who they discuss Cornhill's contribution for the "one off" Centenary Test with Australia in 1980.

The Prudential have sponsored one day internationals for several years which, apart from providing extra cash, for the players have had only minor significance; indeed many tourists have either failed to take them seriously, or used them for practice. This will certainly not apply to the world cup which will be played very hard

and should catch the imagination of the public.

This week, saw the announcement of another, cricket sponsorship worth some £40,000 by CU Assurance, which is most welcome. It is aimed primarily to encourage young cricketers and includes a county under 19 competition, and an under 12 tour to Canada later in the year.

Fortunately, before that will probably be a slight anticlimax, there are the Prudential World Cup which one hopes will be as successful as the first. Much plainly depends upon the weather. If it remains fine, as it did on the last occasion, this competition should draw big crowds and produce a great deal of money. Last time, the series culminated in an historic final between the West Indies and Australia at Lords, which contained all the best features of limited overs cricket.

The West Indies with their stroke makers and fast bowlers remain firm favourites in this second tournament, but England could do well because their attack is powerful and their fielding second to none, while Pakistan remain a serious threat to everybody.

LONRHO advertisement. Includes text: "The following letter has been sent on behalf of Lonrho Limited to all Shareholders of Scottish and Universal Investments Limited and is set out below in view of the postal delays." and "Dear Shareholder of SUITS. Why you should accept Lonrho's Offer. The three opposing directors of SUITS have now given you their opinion on our Offer of one Lonrho share plus 115p in cash for each share of SUITS. We are convinced that the value of the Offer is fair and advantageous to you. We ask you to consider the following points:— Share price of SUITS. The document containing the opposing directors' increased valuation of SUITS was published on 24th April. The next day the share price of SUITS fell. It would appear that the Stock Market thus clearly disregards the opposing directors' valuation. So should you. The value of our Offer of 195p is 57p higher than the price of a SUITS' share on 14th March, 1979, the day before the announcement of the clearance by the Monopolies and Mergers Commission. If there are insufficient acceptances and our Offer lapses, the price of your shares could fall substantially. Value of SUITS' industrial interests. The use by the opposing directors of a general price-earnings ratio for valuing SUITS' industrial interests should be viewed with scepticism. The particular trading activities of SUITS and the low level of taxation charged on the profits of these activities, in our opinion, invalidate the opposing directors' calculation. We consider this theoretical calculation, which is one which the market does not make, can only have the effect of misleading shareholders. It should be disregarded. Net asset value. The net asset value per share of SUITS, based on the audited accounts as at 1st April, 1978, adjusted to include revaluations of investments (net of estimated capital gains tax) and property assets (as set out on page 12 of the Offer Document) but including estimated subsequent retained earnings, amounts to 181p. The value of our Offer represents a premium over net asset value. Increased Income. The three opposing directors say that they intend to propose to the Board that the dividend be increased. This you will know to be a common "defence" ploy by directors opposing an offer. Assuming that the Offer becomes unconditional, an accepting shareholder of SUITS would receive an income, exclusive of associated tax credit, of 14.85p per share (on the basis set out in the Offer Document Paragraph 2) as compared with 9.5p per SUITS' share, even after taking into account the suggested increase in dividend. On this basis your income, by accepting the Offer, would increase by 56 per cent. Opportunity to Participate in Lonrho's Future. By accepting our Offer, the Lonrho shares which you will receive will allow you to retain an interest in SUITS as well as to participate in Lonrho's future. May we remind you that the Monopolies and Mergers Commission in giving clearance to Lonrho to proceed said: "... the entrepreneurial drive of Lonrho and its wider industrial and commercial experience together with its expressed commitment to development in Scotland could be of benefit to SUITS and, in the long-term, to the prospects of employment in Scotland." The result of this entrepreneurial drive and industrial and commercial experience can be seen in Lonrho's record. We believe that these factors will continue to produce significant further growth in the years to come. Lonrho invites you to participate in its future growth. Sir Hugh Fraser, Mr. J. Gossman and the Fraser Trustees. On 12th April, 1979, it was announced that Sir Hugh Fraser and Mr. Gossman took the view that our Offer was fair and reasonable and should be considered by SUITS' shareholders after the Offer Document and Rejection Document had been issued, and that the Trustees of the Fraser Trust were deferring their decision until they had considered both documents. Having now had that opportunity the Trustees have instructed acceptance of our Offer in respect of their holding of 2,779,338 shares (amounting to 8.94 per cent. of the capital). As Trustees, their instructions are necessarily subject to no higher offer being made. Sir Hugh Fraser and Mr. Gossman are recommending all shareholders of SUITS to accept our Offer, and in their recommendation they point out that "No other offer or intimation of a prospective offer has been received." Lonrho's Offer has caused a substantial increase in the SUITS' share price. Make no mistake, if the Offer lapses, the share price of SUITS can be expected to fall. Yours sincerely, Tiny Rowland. Prices in Lonrho and SUITS shares are the middle market quotations as shown by The Stock Exchange Official List for the relevant dates and the value is based on the Lonrho middle market quotation of 80p, 28th April, 1979. This advertisement is issued on behalf of Lonrho Limited by Keyser Ullmann Limited and Standard Chartered Merchant Bank Limited. It has been approved for issue by the Board of Directors of Lonrho Limited, who have taken all reasonable care to ensure that the facts stated and the opinions expressed in this advertisement are fair and accurate, and that no material facts have been omitted. All the Directors of Lonrho jointly and severally accept responsibility accordingly for this.

comfort advertisement. Image of a chair. Text: "Comfort in a completely new kind of chair called the Suffolk Recliner. More comfort because it changes shape to fit you as you recline. Lie back or sit up, the chair follows your every wish smoothly, automatically, and your own body weight locks you in the position of your choice." Includes contact information for The Furniture Workshop.

GARDEN FURNITURE advertisement. Text: "Finest range white cast aluminium and design at large. DISCOUNT. Catalogue/price from: W.B. DESIGNS, 261 Darnley Road, RUGBY. Tel: 0783 813385. WHERE TO SPEND IT EVERY SATURDAY. Price: £10 per square column cm (minimum 2 cm). For further information call Francis Phillips 01-248 4782."

THE NIKON SPECIALISTS advertisement. Text: "EURO FOTO CENTRE. High Road, Cowley, Uxbridge, Middx. Euro Foto Centre is the largest Nikon Camera Specialist. Huge stocks, expert advice and lowest prices on all Nikon equipment when you join Euro Foto Club. Telephone: West: 08224 for our confidential EFC Club discount list. Take us your purchases for overseas visitors."

BRASS BEDS and headboards advertisement. Text: "A large selection of both Antiques and Reproductions of the highest quality. Double headboards from £85-00 plus VAT. New from the factory. Telephone: 01-734 3593."

Beautiful Hardwood Furniture advertisement. Text: "Woodstock makes elegant and hardwearing furniture to last a lifetime. For the complete range which includes tables, chairs and kitchen work-tops, visit our workshop. Also visit our workshop for the new brochure. Woodstock Ltd, 61 Abingdon Road, London, N.9. 07-47-1818."

ANNABELLA Dress Designers advertisement. Text: "Originals are upon sale designed and handmade to order in Annabelinda handpainted silks; in silk crepe de chine; in quilts, silks, satins and velvets; in Liberty printed silks; lawns, voiles, wools and in silks printed solely for Annabelinda from original paintings in Liberty archives at Brompton. Six, Gloucester Street, Oxford OX1 2JG. 08606."

CHANNEL ISLANDS advertisement. Text: "JUNE 11 1979. The Financial Times is planning to publish a Survey on the Channel Islands. The main headings of the provisional editorial synopsis are set out below. The Survey will look at how the islands are coping with potentially conflicting social and economic pressures and go on to pay special attention to: TAXATION, FINANCE, TOURISM, ENERGY, INDUSTRY, HORTICULTURE, STAMPS, SMALLER ISLANDS. For further details and information about advertising rates please contact: Steve Nevitt, Financial Times, Bracken House, 10 Cannon Street, London, EC4A 3DF. Tel: 01-248 8000 Ext 591. FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER. The content, size and publication date of Surveys in the Financial Times are subject to change at the discretion of the Editor."

JUST DESKS advertisement. Text: "Period and reproduction pedestal desks, partners' desks, writing tables, desks and desk chairs. JUST DESKS. 20 Church Street, London, NW8. Telephone: 01-723 7878."

SPECIAL INTRODUCTORY OFFER OF GOLDEN TRUBENBERG advertisement. Text: "Golden Trubenbergs £13.90. Fawcett, E.C. £17.80. Libramonts Qbe 1977 £15.90. Royal Warrant 1977 £15.90. All prices 12 bottles per case. STOP PRESS! Just arrived: Beaujolais 1978. Free tasting before you buy! We mix cases. Monday-Saturday 10-5. Situated minutes from City & Tower of London. Write or phone for our price list. The Noble Grape. 25, The Highway, London, E1. 24-hour Airfreight."

DANARM Engine Pumps advertisement. Text: "For free brochures and details of our new Danarm Engine Pumps, please contact: DANARM LTD, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200. Telephone: 0446-300 2451. Fax: 0446-300 2452."

pine beds by morarti advertisement. Text: "Manufacturers of the largest range of dining, bedroom, office, traditional and modern desks. Single £80. Double £120. Delivered throughout the U.K. MORARTI WORKSHOP (F.T.) WITNESSHAM, KENT. Telephone: 01-474 4741."

GOLD SOVEREIGNS AND KRUGERRANDS advertisement. Text: "BOUGHT AND SOLD in strictest confidence. SHAW CAVENISH & CO. (Bullion Dealers). Cavenish House, Chester. 0244 47541."

HOW TO SPEND IT

هكذا من التجميل

by Lucia van der Post

The latest Design Council Awards



THIS YEAR the Design Council's Awards for consumer and contract goods is a very streamlined affair. Only five awards have been announced and of these only two could really be said to be of much interest to the average consumer. It seems sad to me that there are no fabrics, no ceramics, no furniture, no lamps, no representative from the hundred and one small craft-based industries that used to make up such a large proportion of the awards in the past.

This year's award-winners are clearly very worthy winners and beneath some of the rather dull exteriors (like the ducttyle) lurks very genuine design innovation and the kind of practical improvement in performance that will

make all the difference to those who need and buy the product.

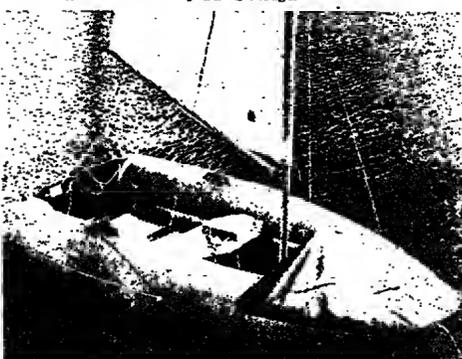
But how one longs to see a few more glamorous products, a few things that one can't wait to get home. It would be lovely to see things that would make the foreign buyers come running and do for our balance of payments what only an internationally excellent and internationally recognised product can do.

I have chosen to illustrate just three of the award winners—the boat because I think it will be the answer to a lot of people's holiday and weekend needs, the glass vases because they are one of the few genuine consumer items that might appeal to readers and the ducttyle

because it does have a small, though slight, consumer application.

The last two of the awards are obviously excellent in their way but have much more of a commercial appeal. Paterson Products, who make one of the world's most comprehensive ranges of photographic darkroom equipment, have picked up a third Design Council Consumer Award for 11 new items added to its range.

Finally, an award went to British Airports Authority for their flexible tape barrier which is part of a co-ordinated range of auxiliary airport furniture being developed for British Airports Authority by David Hodge.



THE DESIGN COUNCIL seems rather keen on boats but perhaps it would be truer to say that it is more a reflection on the excellence of our native boat designing industry that for the second time in three years a boat has won an award.

Actually, this particular boat looks to me as if it could be the answer to many people's holiday and leisure needs. Its prime advantage, of course, is that it is portable and as you can see from the photographs can be fitted into a fairly average sized boat. No more yearning in far-flung parts of the Mediterranean for a boat of your own—take it with you on the road. No more worrying over where to stow a boat—when not in use keep it in a cupboard, under the stairs or folded in the garage.

This particular boat is called the Tinker Tramp and is described as being more a sailing dinghy which is portable than an inflatable dinghy rigged for sailing.

It was designed by Fred Beoyon-Tinker and is manufactured by J. M. Henshaw

(Marion), of Verrington Lodge, Wincanton, Somerset, and it came about entirely because of a lucky meeting some five years ago between the designer and Jock Henshaw, who now manufactures and markets the boat.

I am not a sailor myself but I'm told that the unique design feature which gives Tinker Tramp its edge in sailing terms, is its dagger board. The casing for the dagger board is a sleeve of flexible waterproof material that joins the rigid floor to the cross frame, which spans the cockpit. This means the dagger board can be pushed down and pulled up through the sleeve and gives a draft when down of 60 cm.

The hull tubes are separate from each other, so that if one is punctured the other should remain unaffected, but as a further safety precaution, they also each have an inner tube.

The sailing rig is simple so that it can be handled by children or relatively inexperienced adults. There is a rigid floor of six plywood, non-slip flats which fold like a concrete when the Tramp is

deflated.

Most inflatables, apparently, feel less than stable in a high wind but the Tramp has a slightly raised floor with the outer tubes effectively creating two outer keels and this gives the Tramp greater resistance to sideways slip. Six oars are included with the boat and can be stored neatly in the cockpit when not in use.

If you want to use a motor with it, the wooden transom will carry an outboard motor up to four hp and the boat itself can hold up to four people.

Tinker Tramps are made and sold direct by Jock Henshaw's company, where the actual assembly of each boat is carried out by one person whose name then appears on the transom.

When deflated the boat measures about 42 in by 18 in by 12 in whilst when inflated its overall length is nine ft. If you're interested in the boat write to Jock Henshaw at the address given above. The sailing version costs £594, though a basic version can be had for £459.



IT'S PARTICULARLY nice to see an award go to such a new and adventurous company as Isle of Wight Studio Glass Company, of Old Park, St. Lawrence, Ventnor, Isle of Wight, though the company is at pains to point out that the idea behind the award was originally put up by William Walker, a student at the Royal College of Art.

The vases that won the award are all hand-made and are finished with a unique surface decoration of gold and silver leaf, which was originally William Walker's idea but was then further developed by the director of the company, Michael Harris.

Michael Harris founded the Mdina Glass Company in Malta, but in 1972 had to come back to

the UK because of family commitments and so he set up the Isle of Wight studio. It now employs some 17 people and although one of the glass-blowers were trained on the premises by Michael Harris himself, the studio itself was made out of a 200-year-old complex of farm buildings and it is a big tourist attraction.

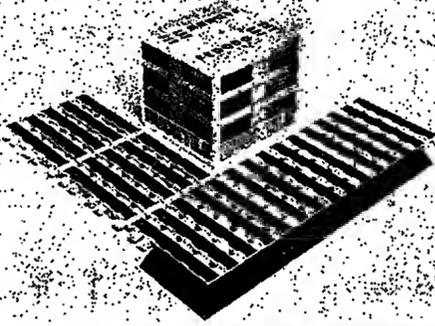
The Azurene vases are a very new venture but have already proved immensely popular in Europe. They combine a richness of effect with a simplicity of shape and it took some time and much experimentation before the whole process was perfected.

A wide variety of colours and patterns are achieved by using gold and silver leaf in a highly original

way—the gold and silver leaf are allowed to fuse into random patterns on the glass, the silver leaf on top of the gold producing different effects.

Because the glass is so new stockists are not yet available all over the country but Selfridges of Oxford Street, London W1; and Heals of 196 Tottenham Court Road, London WC1, both have the glass and it can be found in small gift and present shops up and down the country as well. For further stockists write to the company.

Of the four vases photographed the smallest is 8 cm high and costs £13.00, the next size is 13 cm and is £15.00, then comes the 19 cm size at £16.00 and finally the largest at 23 cm at £22.00.

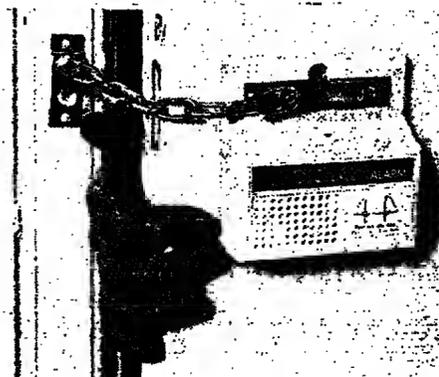


NOT STRICTLY speaking of immense interest to consumers, this ducttyle looks set to replace the traditional wooden duckboards which are to be found in factories all over Britain.

The tile, made of 300 mm yellow polypropylene with five strips of black high friction material incorporated into its surface, is lighter, easier to install, wears extremely well, and is safer to use. The tiles are made by Ferodo and can be used domestically in greenhouses, laundries, swimming pools, boats and shower rooms.

You can buy them from Ferodo Ltd., Chapel-en-le-Frith, Stockport, Derbyshire. They cost about £3.37 per tile.

Chain reaction



THE STATISTICS on the subject of how often a burglary occurs in Britain are now so horrific that most people have to take stock and consider what kind of safety devices they should use. According to the police every little helps—the more difficult you can make it for the burglar to enter, the more hazards you put in his way, the more likely he is to give up and search for somewhere easier to get into.

If you can't run to a complete security system (and even the cheapest of these will run into at least three figures) or don't think your house and contents warrant it, there is now a small device costing only £4.15 which seems to me to have considerable deterrent value.

It's called a Screechain and it is a combination of door chain and alarm bell. If an intruder forces the door further than the length of the chain, an ear-piercing siren sound is given off by the device. It's powered by two PH7 batteries and it measures about 4 in. by 4 in. It sounds ideal for high-rise flats where the only access can be by the front door and could be an added source of security to any insufficiently protected house. You can buy it by mail direct from Personal Hazard Protection Limited, 69, Silver-town Way, London, E.16 (price £4.15 plus 20p p and p).

City slicker

IN MY experience the most expensive presents are the ones bought in desperation—when the important anniversary is the very next day and the shops are closing in half an hour and you have just got to get something. City gentlemen who find themselves in this sort of predicament will not need to travel far to find a whole range of exceedingly acceptable and exceedingly expensive presents. A branch of Hermes opened last week at 5, Royal Exchange, on the Cornhill side.

The shop is very small but reflects all the expected Hermes aura of exclusivity and style. Hermes headscarves are now £43.50 but if you only associate them with snuff and bite you will be pleasantly surprised—some of the new designs are ravishing and the beautiful heavy silk is as lovely to feel as ever. All the smaller accessories will be on sale there—handbags, belts, briefcases and jewellery, diaries, ash-trays (so far, impossibly sought-after by the city gentlemen who have found their way into the shop).

If it's not so much a present more a piece of personal adornment that the city gentleman is requiring, Hermes can help there, too. In my opinion, the nicest thing Hermes do are the silk ties—they are immensely elegant and of impeccable quality—but shoes, cashmere and cotton socks, belts, shirts and knitwear can all be bought there.

Hermes is open Monday to Friday, 9.30 am to 5.30 pm.

Wooden it be luvrly

AN ENTERPRISING pair of sculptors who met while students at the Wolverhampton College of Art have started their own workshop making and producing a number of light-hearted and charming household articles. As one of the partners, Mike Bliss, put it to me, "Our approach to design is light-hearted but our approach to business is anything but."

As you can see from the photographs here, most of what they produce has immense charm, is great fun but is not likely to be the sort of thing you would put in very formal drawing-rooms.

Everything they make is made from wood, ranging from plywood for the smaller flexible things like birds and ties (yes, they make wooden ties, and they are, apparently, a fantastic success, people

buy them to wear at parties) and using hardwoods for the more expensive things like clocks, cupboards and breadboards.

They issue a very useful little mail order list. Everything they make is included with all measurements, details of the wood used and price. For a copy just send a stamped addressed envelope to Woody Enterprises, 10, Sefton Road, Edgbaston, Birmingham B16 9DR.

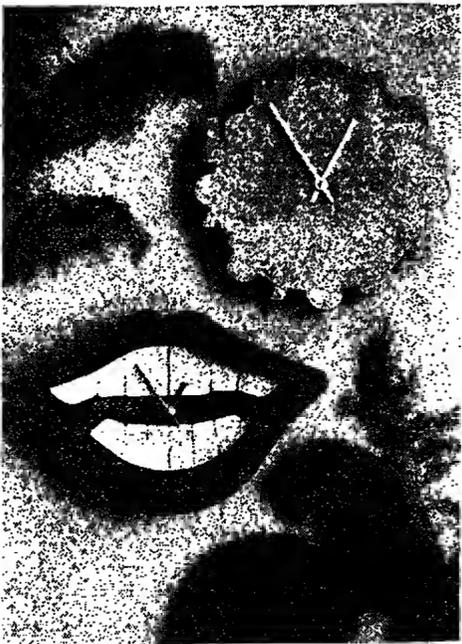
All the things they offer can be ordered in a choice of colour—the wood is stained. There's red, yellow, blue, green, black, plum and brown. Prices strike me as exceedingly low—for instance a sturdy beech cheese board is £2.70.

Of the things that are not photographed here there is a lovely cupboard man which should appeal immensely to

children—the cupboards make up the man and include small ones for holding little secret things as well as larger ones that could actually store clothes, books or toys. He is 3 ft 6 in high by 15 in by 6 in and is made from Birch Plywood and is £45.00. There are also some very attractive book-ends at £4.25 a pair.

Most of the other things are fairly smallish—a variety of clocks, some Jockey items like the wooden ties (£1.25) and birds (£1.75) and wooden arm (£4.80).

A few specialist present shops stock their designs so if you want to see them before you buy go along to Ideas of 10, South Molton Street, London, W.1, or Presents of 129, Sloane Street, S.W.1, both of which normally have a reasonable selection.



I particularly like this bread board, which is made from the beechwood that is traditionally used for breadboards in England. There is too a very nice cheeseboard, also made from beech, cut in the form of a wedge and with the letters cheese formed at the edge in the same way as bread has been formed at the board in the picture. Both boards are £2.70 each but if you order by mail, remember to add on 5 per cent for carriage.



ABOVE

Wooden ties are, would you believe, very popular. People apparently buy them to wear at parties and as they are made of very light, flexible plywood they are not as uncomfortable as they sound. They fit round the neck with elastic and there's a kipper version (15 in by 3; in) or a straight version (16 in by 2 in). Both are £1.25 each. Most people seem to prefer the brightly coloured versions but they come in patterns using all combinations of the wooden stings they offer—red, yellow, blue, green, black, plum and brown.

LEFT

Clocks are one of the things Woody Enterprises like doing and here are two of their current designs. The month clock is £12.50 whilst the number clock (at the top) is £11.50. Carriage charges are 5 per cent on orders less than £100.

Write for free brochure showing all our ranges to: The Webb & Sons, Dept. FT, 32 Haulon Gdn., London EC1N 8DT. Tel: 01-405 0811

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Mahogany veneer, bright finish	£1,240	£1,075
Kemble, Chippendale style		
Mahogany or Walnut veneer, bright finish	£1,280	£1,152
Steinberg 106		
Teak veneer, matt finish	£1,102	£990
<b>Grand Pianos</b>		
Blüthner 6'2"		
Mahogany veneer, bright finish	£6,627	£5,960
Grafham Steinweg 6'2"		
Mahogany veneer, bright finish	£6,950	£6,255
Bechstein 5'11"		
Black, bright finish	£8,650	£7,785
<b>Harpichord</b>		
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BOOKS: Theatre and Cinema

Time of Tich

BY ANTHONY CURTIS

Little Tich: Giant of the Music Halls by Mary Tich and Richard Findlater. Elm Tree Books, £6.95, 166 pages... A Hard Act To Follow: A Music Hall Review by Peter Leslie. Paddington Press, £6.50, 255 pages...

seems unbearably poignant. Almost everything listed in the pater actually happened to Little Tich, or Harry Relph as he was in real life. His only male friend did have an affair with his wife...

graduated to the Halls which flourished at the turn of the century. Minstrels were all the fashion and he began in black-face. He stopped applying the burnt-cork when he went on a tour of the United States where his genius for drollery was first acclaimed...



Tich as La Premiere Danseuse Dawson and Ken Dodd. He delineates their styles and the social backgrounds to which they responded.

Yiddish actor

BY C. P. SNOW

Bright Star of Exile by Lulla Rosenfeld. Barrie and Jenkins, £8.95, 338 pages... Lulla Rosenfeld has written an elegy, sorrowful and rapturous, for her grandfather, Jacob Adler, and the brief glory of the Yiddish theatre in New York...

wives. Adler's own complications with women make H. G. Wells's seem like the domestic existence of Mr. Pooter... Adler's first staging post in exile was Whitechapel. Here he won success and hero worship, but no money...

attended an Adler production, but impressions were confused. Contrary to a myth cherished by some who haven't had to listen much to plays in languages they don't understand, you do need to comprehend what is being said. Otherwise anaesthesia descends...

Gladys's sacred flame

BY GEORGE MALCOLM THOMSON

Gladys Cooper: A Biography by Sheridan Morley, Heinemann, £8.50, 313 pages... The Stage, like the Turf and the old House of Lords, is based on the hereditary principle... To the Distant Observer Form and meaning in the Japanese cinema...

sciencists and so forth. Theo journalism came in to lighten the dough; and after that the stage takes over... Gladys Cooper (theatrical child; pretty girl in the Gaiety chorists; and to the end a dancing handsome woman) had the kind of good looks which does not let a woman down by deserting her...

ing, nothing but a figure, a perfect piece of mechanics" (C. B. Purdom). Charm to match her looks? "She had all the charm of an electric carving knife..."

wrote to her, or kept themselves at a respectful distance she would send back faintly regal notes of acknowledgment for letters and flowers... A powerful sex urge says Sheridan Morley who, as her grandson, would be likely to know...

Until the 1917 Revolution, his more experimental work was done in his own workshop theatre, while he continued in more conventional ways at the Establishment houses; but the Revolution was a superb bandwagon for him to jump on...



Gladys Cooper in 1913

Marxmanship

BY NIGEL ANDREWS

To The Distant Observer: Form and meaning in the Japanese cinema... Born To Lose: The Gangster Film in America by Eugene Rosow... Hello, I Must Be Going... The German Theatre...

representation that are wholly and specifically her own. In To The Distant Observer, the Paris-based critic and teacher takes us on a tour of Japanese cinema from 1896 to the present day...

riches stories, is essentially "vertical." But the said aperçus make it all the more frustrating to wade ankle-deep through Rosow's political dogma-strewn and his impersonal, speak-your-weight style of writing...

Although the latter has become an all-time classic in cinema culture, Drifters received rapturous acclaim largely because it brought the cinema down from the heights of theatrical manipulation to the real world of working people...

executive HEALTH by Dr. David Carrick (Medical Director, Financial Times) ILLUSTRATIONS BY IONICUS "The physician must have at his command a ready wit, as dourness is repulsive both to the healthy and the sick..."

He persuasively links the Japanese garden and the... But the comic iconoclasm that was Groucho's heyday stock-in-trade has been turned into an autumnal cynicism. The subject's harping on death, on illness on the loss of his sexual powers was understandable (he died at the age of 86) but it has a curiously sour tone...

John Grierson: A Documentary Biography by Forsyth Hardy, Feher and Faber, £7.95, 298 pages... This year marks the 50th anniversary of a remarkable movement which shaped the whole development of the documentary film and established the real beginnings of the sponsored film industry...

Putting on scene

BY B. A. YOUNG

The Theatre of Meyerhold by Edward Braun, Eyre Methuen, £9.95, 299 pages... Theatre and Anti-Theatre by Ronald Hayman, Secker and Warburg, £5.90, 272 pages...

more conventional ways at the Establishment houses; but the Revolution was a superb bandwagon for him to jump on, and he was soon able to mount the kind of production we most associate him with... He became an early victim of the campaign against the "cult of personality"...

that began when Ionesco called his play La Cantatrice chauve an anti-piece. Ronald Hayman's sub-title is "New Movements Since Beckett," but the truth is he hasn't found many. Handke, yes—there's a new movement for you, theatre without drama, only a philosophical examination of language... "Anti-theatre" is a phrase

Documentary director

BY JOHN CHITTOCK

John Grierson: A Documentary Biography by Forsyth Hardy, Feher and Faber, £7.95, 298 pages... This year marks the 50th anniversary of a remarkable movement which shaped the whole development of the documentary film...

word documentary to this use of film, persuaded the politicians and industrialists to support his ideas, and established a nursery of young film-makers out of which grew an international movement that influences even the television programmes of today...

Excellent translation by John Willet... The names of his colleagues, nurtured, trained or inspired by him, are a roll-call of short film history—Sir Arthur Elton, Edgar Anstey, Basil Wright, Paul Rotha, Stuart Legg, Norman McLaren, Cavalcanti, to name only a few...

BOOKS OF THE MONTH Announcements below are paid-for advertisements. If you require entry in the forthcoming panels, application should be made to the Advertisement Department, British Film Institute, 21 Cannon Street, EC4A 3DF. Telephone: 01-249 8000, Ext. 7084. Leon Bakst Charles Spencer A major contribution to the literature of theatre set and costume design, well-researched with extensive notes on the text and illustrations with 34 in colour. Academy Editions £7.95. Virgins, Vamps and Flappers: The American Silent Movie Heroine Sumiko Higashi, Ph.D. A perceptive study of the evolution of the archetypal screen heroine which argues that the image of women in vogue will always serve as a barometer of social, economic and cultural change. Eden Press/Women's Publications £9.95. Invitation to the Theatre George Kernodle and Portia Kernodle This is a comprehensive, lavishly illustrated, thoroughly contemporary introduction to theatrical history and genres as well as the elements and techniques of the dramatic arts. Harcourt Brace Jovanovich Ltd. £6.45

ARTS 1

هكذا من الخليل

The legacy of Jackson Pollock

PISSARRO is reputed to have said that if he had not been born a genius, he would have painted like Jacques Emile Blanche. Jackson Pollock is supposed to have made much the same type of remark about his master, Thomas Hart Benton...

painter Lee Krasner Pollock have at last been rewarded with a fitting monument to her husband's work, a four-volume oeuvre catalogue...

1937, conveniently forgetting that a quarter of a century before, he, too, had been part of the Stieglitz circle. In one respect, of course, Benton was right...

FT/SOTHEBY IAN BENNETT

together under the heading "Abstract Expressionists" began their period of major creativity in the years immediately following the end of the Second World War...

The present catalogue must constitute one of the most significant contributions to our knowledge of Abstract Expressionism and to Pollock's art in particular...



Gerald Flood and Christopher Beeny

One of our howls is missing

Nothing, you may think, could be more clumsily unfortunate than the title of this farcical comedy by Raymond Allen at the Leicester Haymarket...

gramme balts abruptly. The manager (Gerald Flood) is a bad-tempered alcoholic whose wife has, apparently, made off with a lover and stuffed owl in the small hours...

THEATRE MICHAEL COVENEY

and bumping into the furniture while pursued by the housemaid, Carol Hawkins. One of the guests (Robert Mill) gives Terence a reasonably funny lesson in seduction techniques...

Bows for sale

Every violinist needs a bow, the slim curved stick that produces a violin's typical singing tone. Bows have hardly altered since Francois Tourne of Paris perfected their design 200 years ago...

SALEROOM ROBERT LEWIN

a handicap rather than a help. A craftsman-made bow has a very different feel; you learn its ways and how it seeks to obey you, and the intimacy between bow and player is such that most violinists would rather play on an unfamiliar violin than use a strange bow...

Postal anniversaries

THE EUROPEAN Conference of Postal and Telecommunications Administrations, known as CEPT, was established in 1959 by the countries of western and southern Europe...



STAMPS JAMES MACKAY

mails between 1875 and 1924. A three-horse coach appears on the Belgium F8 stamp, contrasted with a modern mailvan, and Denmark's Kr1.30 depicts a mail cabriolet from the reign of King Christian VII...

their intended recipients. Over the past century the periodic dredging of the Seine has continually brought boules to the surface—much to the embarrassment of the French Post Office...

Advertisement for Christie's Fine Art Auctioneers, No. 377, featuring Jacob de Gheyn II's Study of three dragonflies.

Advertisement for Glendinning's, Specialists in the Sale by Auction of Coins and Medals, listing various coin collections.

Advertisement for Spink Coin Auction on May 17th and 18th, promising a classic collection of modern Greek coins.

Advertisement for Bone China Bird Sculptures, featuring a parrot sculpture.

Advertisement for HAMILTONS, 13 Curzon Place, near Grosvenor Gardens, London.

Advertisement for ART GALLERIES, listing various art exhibitions and galleries.

Large advertisement for Phillips principal saleroom at 7, New Bond St., London W1, listing various art categories and dates.

Advertisement for SANDFORD GALLERY, Covent Garden, London, listing art exhibitions.

ARTS 2

Meadow of Proverbs

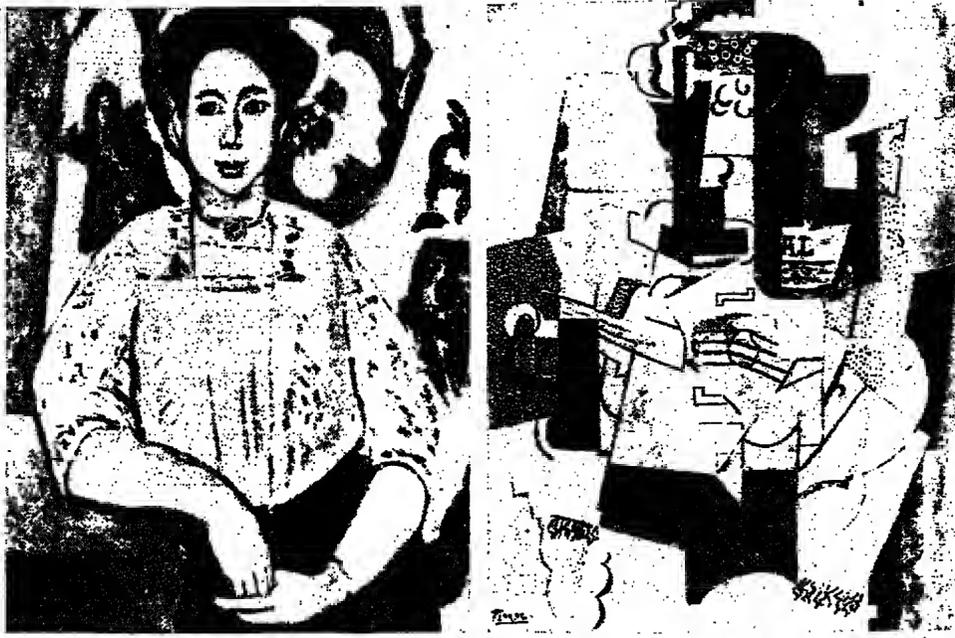
Second ballets are notoriously disappointing, especially if the first work of the new choreographer has been successful. David Bintley's creative debut was with the daring, vividly alive Outsider last year: Albert Camus, trillies, murder, duplications of the hero, all brought off with a flair that spoke of a talent quite out of the ordinary. But perhaps every man has one ballet, like his one omelette, within him. Here then, is the test of the second ballet, which I am happy—and entirely un-surprised—to report that Bintley has passed with all colours flying.

BALLET CLEMENT CRISP

and Goya's Los Proceros. Mike Beckel has set the piece in a rocky chasm made from a series of grotesque profiles—like Mount Rushmore seen by Picasso—and Bintley fills it with dancing. The two opening sequences bring on the men, then the women, in fast, energetic, and most assured ensembles. Thereafter, Bintley illustrates eight of Goya's proverbs with a hard-edged, satiric manner that owes something to the comedia dell'arte, and rather more to Goya. Most of all it pays tribute to Bintley's own fertile, pungently theatrical ability to make movement full of character.

calculations—a rumba line interrupting a duet seems to misfire—but all in all, this is creation from a young man of abundant and splendid gifts. And like all good ballets, Meadow of Proverbs enhances its interpreters. The SWRB dancers are uniformly excellent in it, with special praise for Marion Tait, Paul Waller, Alais Dubreuil and Stephen Wicks in the mock funeral, and to Kim Reader, the young man who forgets he will grow old himself" as he darts about the stage.

Finally Robe's Progress, very properly dedicated to the memory of Walter Gore who created the title role. Each time Robe returns to the repertoire I am struck afresh by its dramatic impact, its utterly sure construction. It never fails to impress with its feeling for period style, to move the heart by the loveliness of the Rake's descent into misery. Alain Dubreuil avoids much of the humour implicit in the Rake's opening scenes. He shows us instead a young man already predisposed to vice; and the reading comes into its own with his sidling, desperate entry into the gambling den. From there on, Duheuil's hounded, desperate hero can only move with agonised eyes to his death: it is a portrait of much merit. Marion Tait is a toughie innocent girl; the group of hangers-on and debtors are sharply portrayed, not least because of well-conceived make-up. Throughout the evening, Barry Wordsworth and the company orchestra maintain the exceptional standards set in Coppelia.



"Portrait of Greta Moll" by Matisse and "Fruit Dish, Bottle and Guitar" by Picasso

Modern Masters at the National

There are no absolute divisions in Art. There is no steel door that slams down at a certain moment, in the history of painting for example, to cut off the old from the new. 1900 is the most convenient date, or seems so, but we must remember that it stood right in the centre of many lives that neither stopped nor started to suit the convenience of an arbitrary chronology. And the rule which sets the scope of the collections at the National Gallery and the Tate on either side of that particular divide has long been known by both parties to be a nonsense. Too strictly adhered to, indeed, it could do positive harm; and the Tate, quite rightly, has always set its roots firmly in the nineteenth century (should they go back even further, beyond Impressionism to Courbet and Delacroix, even to Goya?). The National Gallery has appeared less certain of itself, at least until fairly recently, but once having taken a firm grasp of Cézanne, Van Gogh and Monet the logic has proved inescapable; and for some time now the collection has been feeling its way gingerly into the

twentieth century, with first the Vuillards, then a Klimt, a Redon or two, and an early Picasso on loan. But no single work has been quite so positive a declaration of policy as the recent acquisition of two early twentieth-century masterpieces, both of them now on display in Room 45, the first works to be bought by the gallery by Picasso and Matisse. It is a curiosity of our changing sensibility that these two splendid works, so different to each other but of equal weight, should immediately appear to be so much at home, rightfully installed among their peers; for it is not alone their presence, let alone their purchase, would have caused a storm. The Picasso is especially intriguing in this respect, an important transitional Cubist still-life of 1914, Fruit Dish, Bottle and Guitar, that shows the artist moving away from the analytical early phase of Cubism, affected by his experiments with collage, the space shallower, the image flatter and more frantically disposed. And Picasso, the arch-herm of the des-

The siege of the South Bank

Next Tuesday sees the first night of For Services Rendered, the Somerset Maugham play, at the Lyttelton Theatre. If everything goes according to plan the performance will be presented with full sets and costumes and the audience will be paying normal National Theatre prices. It is yet another sign of Sir Peter Hall's determination to fight the strike by stage staff which has crippled the National for six weeks and cost it £250,000, so far, in lost ticket sales, receipts, etc. Within the next few weeks the postponed Simon Gray play Close of Play will also join the repertoire, although the delay has forced Peggy Ashcroft to withdraw and Anne Leon to replace her. In June Despatches, the play about the Vietnam War, is scheduled for the Cottesloe and the National will have managed to stage all its three new productions. Plays scheduled for later in the year, such as The Orestia, will undoubtedly be postponed from their planned opening dates, but so far the National has not cancelled anything new because of the dispute. The strike began on March 16 when 27 National stage staff walked out over a pay dispute. The National is one of the main clients of the Arts Council, and, at second hand, the Government, has to follow pay guidelines more closely than private industry, and although the national stage staff earn £3,000 a year, a wage above the tradition of militancy, which has created a state of lightning official stoppages—five in all—to the great chagrin of the National and its patrons. Hence the decision this time to make an issue of the conflict. The National seems to have won the public relations battle. Equity has come out on its side, and the vast majority of the staff of the three-theatre complex is working normally—only around a sixth of the workforce of 350 are on strike. Indeed, the NATKE members voted persuasively against making the dispute official, against the wishes of the union. The Theatre is attempting to settle the dispute over the heads of NATKE by sending individual letters to the strikers offering to re-employ them on guarantees of cooperation, with today as the deadline for replies. Until the result of this initiative is known no other attempts are likely to solve the problem.

TV Radio

Indicates programmes in black and white. BBC 1: 9.00 am Camberwick Green, 9.15 Scooby Doo, 9.30 Champion of the Wonder Horse, 10.00 In Doors Outdoors, 10.25 Zorro, 10.50 'Secret of the Locas' (film), starring Charlton Heston. 12.30 pm Grandstand, Football Focus (12.35); World Ice Hockey Championships (1.05, 1.40); Racing from Leicester (1.20, 1.50, 2.20, 2.50); International Snooker (2.10, 2.40, 3.10) Embassy World Professional Championship; Boxing (3.30), World Light-Heavyweight Championship; Rugby League (3.50) John Player Trophy Final; 4.40 Final Score. 5.10 Sports/Regional News. 5.25 The Hardy Boys and Nancy Drew Mysteries. 6.15 Rolf on Saturday—OK?, 6.45 '633 Squadron' (film), starring Cliff Robertson. 8.15 The Val Doonican Music Show. 9.00 Election Broadcast by the Labour Party. 9.10 The Rockford Files. 10.00 News. 11.20 Saturday Night at the Mill. All regions as BBC1 except at the following times—Scotland—4.55-5.10 pm Scoreboard.

Scoreboard, 5.20-5.25 Sportsboard, 10.20-10.50 Sportscenter, 10.50-11.20 Hello—1m Bernard Sumner, 12.10 am News and weather for Scotland. Wales—5.50-9.15 am Teletext, 5.20-6.25 Sports/News for Wales, 12.10 am News and weather for Wales. Northern Ireland—5.00-5.10 pm Scoreboard, 5.20-5.25 Northern Ireland News, 12.10 am News and weather for Northern Ireland. BBC 2: 7.40 am-1.30 pm Open University. 12.50 pm 'New Moon' starring Jeanette MacDonald, Nelson Eddy. 4.30 Open Door. 5.00 Snooker, Embassy World Professional Championship. 6.10 In Doors Outdoors, 6.35 Assignment, 7.05 News and Sport, 7.20 Rugby Special, Schweppes WRU Challenge Cup Final. 8.10 Khovanshchina (with 5.25 stereo), Mussorgsky's opera, with Evgeny Nesterenko, Part 1. 9.00 Election Broadcast, As BBC1. 9.10 Khovanshchina (cont'd), Part 2. 11.15 News. 12.10 Snooker. 12.10 am The Brasher Doubloon, starring George Montgomery. LONDON: 8.35 am Sessame Street, 9.35 Superman, 10.00 The Saturday

Morning Show, 11.30 Chopper Squad, 12.30 pm World of Sport, 12.35 Headline, 1.15 News, 1.30 The TV Site, Newcastle (1.30, 2.00 and 2.30); Sandown (1.45, 2.15 and 2.55), 3.10 International Sports Special: professional Cycling from Hackney, 3.50 Half-time Soccer, 4.00 Wrestling, 4.50 Results. 5.05 News. 5.15 Happy Days, 5.45 The Muppet Show, 6.30 Kidnaped, 7.00 Cops, 8.00 Celebrity Squares, 8.30 Lovey Couple, 9.00 Election Broadcast: Labour Party, 9.10 Police Woman, 10.10 News, 10.25 Rold Dahl's Tales of the Unexpected, 10.55 Never Forget Me: The Spirit of St Thomas Beucham, 11.55 Russell Harty, 12.35 am Close, with Michael Borral. ANGLIA: 9.25 am Catch 22, 10.00 Clue Club, 10.35 News, 11.00 The Mark and Andy, 7.00 The Life and Times of Grizzly Adams, 9.10 Vegas, 12.55 My God. ATY: 9.10 am Beyond the Moon? 9.35 Catch 22, 10.00 Clue Club, 10.35 News, 11.00 The Mark and Andy, 7.00 The Life and Times of Grizzly Adams, 9.10 Vegas, 12.55 My God. BORDER: 8.00 am Sessame Street, 10.00 Saturday Morning Show, 11.30 Chopper Squad, 12.30 pm World of Sport, 12.35 Headline, 1.15 News, 1.30 The TV Site, Newcastle (1.30, 2.00 and 2.30); Sandown (1.45, 2.15 and 2.55), 3.10 International Sports Special: professional Cycling from Hackney, 3.50 Half-time Soccer, 4.00 Wrestling, 4.50 Results. 5.05 News. 5.15 Happy Days, 5.45 The Muppet Show, 6.30 Kidnaped, 7.00 Cops, 8.00 Celebrity Squares, 8.30 Lovey Couple, 9.00 Election Broadcast: Labour Party, 9.10 Police Woman, 10.10 News, 10.25 Rold Dahl's Tales of the Unexpected, 10.55 Never Forget Me: The Spirit of St Thomas Beucham, 11.55 Russell Harty, 12.35 am Close, with Michael Borral.

CHANNEL: 12.18 pm Puttin' the Pra(l)ice, 5.19 Mind Your Language, 6.45 Monty and Mandy, 9.00 Encore, 10.40 Vegas, 11.55 TBA. GRAMPAIN: 9.00 am Sessame Street, 11.30 Thunderbirds, 3.15 pm International Sports Special, 5.30 The Muppet Show, 7.00 Grizzly Adams, 9.10 Vegas, 12.55 Reflections. GRANADA: 7.15 am Sessame Street, 10.10 The Puttin' the Pra(l)ice, 5.19 Mind Your Language, 6.45 Monty and Mandy, 9.10 Vegas, 11.55 Kung Fu (film) with David Carradine. I.TV: 9.05 am It's My Move, 9.30 Clue Club, 9.55 Melodians, 10.05 Happy Days, 10.30 News, 11.00 The Mark and Andy, 7.00 The Life and Times of Grizzly Adams, 9.10 Vegas, 12.55 My God. SCOTTISH: 9.30 pm Saturday Morning Picture Show, 11.30 Chopper Squad, 12.30 pm World of Sport, 12.35 Headline, 1.15 News, 1.30 The TV Site, Newcastle (1.30, 2.00 and 2.30); Sandown (1.45, 2.15 and 2.55), 3.10 International Sports Special: professional Cycling from Hackney, 3.50 Half-time Soccer, 4.00 Wrestling, 4.50 Results. 5.05 News. 5.15 Happy Days, 5.45 The Muppet Show, 6.30 Kidnaped, 7.00 Cops, 8.00 Celebrity Squares, 8.30 Lovey Couple, 9.00 Election Broadcast: Labour Party, 9.10 Police Woman, 10.10 News, 10.25 Rold Dahl's Tales of the Unexpected, 10.55 Never Forget Me: The Spirit of St Thomas Beucham, 11.55 Russell Harty, 12.35 am Close, with Michael Borral.

YORKSHIRE: 9.00 am Sessame Street, 11.30 Thunderbirds, 3.15 pm International Sports Special, 5.30 The Muppet Show, 7.00 Grizzly Adams, 9.10 Vegas, 12.55 Reflections. RADIO 1: (S) Stereophonic broadcast. 5.00 am As Radio 2, 7.03 Playgroup, 8.00 Ed Stewart, 10.00 Patience Powell, 10.10 News, 10.25 Rold Dahl's Tales of the Unexpected, 10.55 Never Forget Me, 11.55 Going Home. RADIO 2: 5.00 am News Summary, Weather, 5.05 Paddy O'Brien, 5.10 David McWilliams, 5.15 News, 5.20 The Radio 2 Breakfast Show, 5.25 The Radio 2 News, 5.30 The Radio 2 Show, 5.35 The Radio 2 News, 5.40 The Radio 2 Show, 5.45 The Radio 2 News, 5.50 The Radio 2 Show, 5.55 The Radio 2 News, 6.00 The Radio 2 Show, 6.05 The Radio 2 News, 6.10 The Radio 2 Show, 6.15 The Radio 2 News, 6.20 The Radio 2 Show, 6.25 The Radio 2 News, 6.30 The Radio 2 Show, 6.35 The Radio 2 News, 6.40 The Radio 2 Show, 6.45 The Radio 2 News, 6.50 The Radio 2 Show, 6.55 The Radio 2 News, 7.00 The Radio 2 Show, 7.05 The Radio 2 News, 7.10 The Radio 2 Show, 7.15 The Radio 2 News, 7.20 The Radio 2 Show, 7.25 The Radio 2 News, 7.30 The Radio 2 Show, 7.35 The Radio 2 News, 7.40 The Radio 2 Show, 7.45 The Radio 2 News, 7.50 The Radio 2 Show, 7.55 The Radio 2 News, 8.00 The Radio 2 Show, 8.05 The Radio 2 News, 8.10 The Radio 2 Show, 8.15 The Radio 2 News, 8.20 The Radio 2 Show, 8.25 The Radio 2 News, 8.30 The Radio 2 Show, 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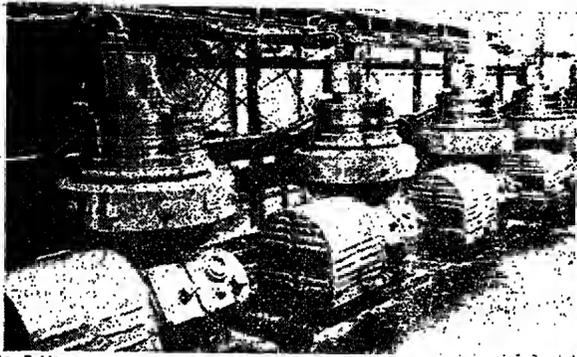
# FINANCIAL TIMES SURVEY

Saturday April 28 1979

مكتبة الأعمال

# Malaysia

The race riots of a decade ago spurred the Malaysian Government into setting up a radical 20-year programme to develop the economy and combat the country's racial problems. Although the policy has already achieved considerable economic success, it is still far from clear how much the social engineering processes have reduced latent racial hostilities.



• Rubber



• Earthmoving Equipment



• Food & Beverage



• Palm Oil & Cocoa



• Electrical Engineering



• Insurance Broking



• Agricultural Equipment



• Money Broking



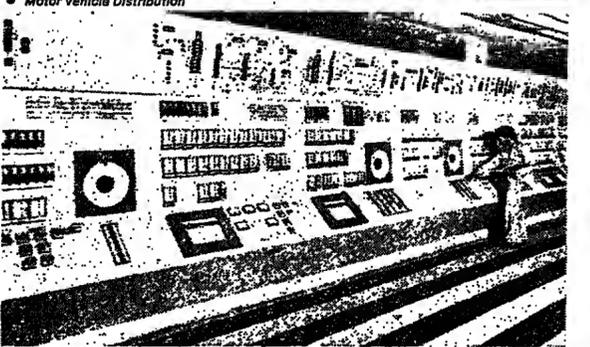
• Motor Vehicle Distribution



• Commodity Trading



• Consumer Trading



• Electronic Engineering

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MALAYSIA II

Progress towards racial harmony

BY PHILIP BOWRING

TWO THEMES dominate Malaysia's social structure: wealth and race. From the outside, it is easy to concentrate on only one of them.

The days ten years ago next month when Malaysia was stricken by race riots that left scores dead are still etched deeply in the consciousness of all Malaysians.

Dr. Mahathir Mohamad, Deputy Prime Minister, told the Financial Times that it was "a policy unique in the world and designed for a unique situation."

Last month the Government published its mid-term review of the Third Malaysia Plan, the five-year socio-economic plan that ends in 1980. This is an important document because it contains the latest projections for NEP achievements by 1980, when the 20-year restructuring programme will be at the half-way mark.

So far, the policy has had considerable success in re-allocating the economic cake while apparently not seriously retarding the growth of the cake. To cut the cake the Government has had to move from a largely laissez faire economic policy to one of interventionism, growing state ownership and a peculiarly racial form of redistributive taxation.

It is a tribute to the good sense of the bureaucracy, and of its political masters, that the inevitable NEP emphasis on wealth distribution has not unduly interfered with wealth creation.

On the other hand it is yet far from clear how far the

social engineering processes have gone to reduce latent racial hostilities. Dr. Mahathir admits that in recent times "racial tensions have increased."

In the final analysis, racial harmony is not a product of statistics achieving approximate equality of income, wealth, employment and education. Either it is a growing together of cultural attitudes and goals—for example in the relative importance of money-making to other social goals, or harmony will be achieved by acknowledgement by the races that a homogeneous society is not possible and they must make a virtue out of a pluralistic society—a kind of "separate but equal" situation.

The key to the NEP is discrimination—discrimination in favour of Malays, a process likened by Dr. Mahathir to discrimination in the U.S. in favour of Blacks to enable them to catch up. It is a policy accepted, in theory, by all groups, but the problem lies in determining where the invisible but very real dividing line lies between discrimination in favour and discrimination against.

There have been signs recently that many Chinese feel the line against them has been crossed. They point to the sharp rise in support in last year's election for the DAP, the main and largely Chinese opposition party. They express resentment over such things as the contrast between official antipathy towards the (mostly ethnic Chinese) refugees from Vietnam, and the help given to the Muslim refugees from the southern Philippines.

They wonder what racial harmony is supposed to mean when the Prime Minister clearly suggests, in a magazine interview, that because many Chinese are rich they should be content with second-class status.

But perhaps the most important of all issues is education. Last year this focused on the rejection by the Government of an attempt to set up the so-called Merdek University—a privately-funded university which would cater largely for qualified non-Malays unable to

get into university because of the discrimination in favour of Malays.

Many Chinese are opposed to the Merdek University which they believe would be a focus of racial divisiveness. But they are unhappy at the way the Government keeps raising its pro-Malay goals in education. Malays now constitute 84 per cent of university enrolment, but in the mid-term review the Government for the first time has included people studying overseas (mostly privately) in its racial breakdowns.

These are mostly Chinese unable to get into local university—the numbers of Chinese in universities in Malaysia actually fell slightly between 1975 and 1978 despite a 20 per cent rise in total enrolment. Including the overseas students brings the Malay proportion down to 48 per cent, in turn creating demands from many Malays for additional efforts on their behalf to achieve

equality of numbers. Education sums up a key problem of the NEP. Chinese may accept the principles of it, but their intensely competitive nature means that as individuals they fight against the consequences. Many Chinese are unhappy. But let no one doubt either the pressure that the UMNO (United Malays National Organisation)-dominated government is under from Malay voters to deliver equality of jobs, incomes and education.

Contrasts Last year UMNO trounced a Right-wing challenge from the ultra-Malay, ultra-religious Parti Islam. But the extremist threat to its ranks does exist and could be strengthened by the worldwide revival of Islam. A combination of Malay nationalism with Islamic fundamentalism would be powerful and dangerous.

THE ECONOMY maintained a steady growth pace over the past year. Gross National product expanded by 7.5 per cent in 1978 and a similar figure was recently forecast for 1979 by the Bank Negara, in its annual report.

The performance over the past two years (and looking into 1979) is slightly below the 8.2 per cent target set in the Third Malaysia Plan (1976-80). But due to double digit growth achieved in 1976, a year of recovery from the recession, the overall plan target still looks within reach.

The Mid-Term Review of the Plan, published last month, predicts real growth of 7.8 per cent in 1979-80. However, the composition of TMP growth is likely to turn out substantially different from originally envisaged.

Four factors have stood out: the rapid growth of the petroleum industry; firmer than expected prices for Malaysia's

main commodity exports; weak performance of agricultural output in volume terms; and unsatisfactory rate of growth of private investment.

When the TMP was launched in mid-1976, emphasis was placed on the private sector as the engine of growth in contrast to the Second Plan, which had seen the launch of the massive social engineering objectives of the new economic policy. For the TMP, private investment was targeted to grow at 9.9 per cent annually as against only 6.2 per cent for the public sector.

During the Second Plan, public sector investment had increased by a dramatic 17 per cent annually, compared with only 7 per cent for the private sector. However, the intended shift to the private sector has not happened. Non-oil private investment grew at only 7.1 per cent during 1976-78. The oil industry was omitted

from TMP calculations as at the time new development was stymied by a stand-off between the companies and Petronas, the State oil entity. Inclusive of the rather exceptional oil investment by the private sector since the deadlock was ended, private investment during 1976-1978 increased by 9.6 per cent. It is the non-oil sector which is the key to sustained growth and there are mixed views about what has been happening to it. Initially, the private sector complained both of over-capacity and of the debilitating impact on investor confidence of the industrial co-ordination act. The ICA gave sweeping power to the Government to withhold operating licences from companies deemed not to be doing sufficient to meet new economic policy requirements. Recognising that the Act was at least doing some psychological damage to private sector sentiment, the Act was amended early last year to meet some

of the objections. The willingness of the Government to alter a politically important piece of legislation to appease the private investor was seen as a sign of its determination to promote investment.

Revived It may be just coincidence but private investment has revived since the amending of the Act. Last year, non-oil private investment grew at an encouraging 12 per cent. And a similar rate of increase is forecast for 1979.

The buoyancy of private investment is illustrated by the demand for loan demand. Bank credit jumped 30 per cent last year. And though the rate of increase is expected to slow in 1979 the Bank Negara (Central Bank) is maintaining a fairly easy money policy in order not to nip any investment in the bud. The bank's annual report noted that the investment-

recovery was still far from strong and self-sustaining. It is not clear how much of the increase in investment has been towards the productive sector of the economy. Spending on new housing has been a very high level and there appears to have been substantial inventory building by manufacturers. The trend in investment in new capacity is less clear. Approvals for new projects and extensions of existing ones granted by the Malaysian but there may be a higher rate implementation of prior approvals.

the ASEAN community has enlarged political horizons and perhaps introduced another moderating influence into domestic affairs.

The basic good sense of Malaysian policy makers is also well illustrated by their attitude towards commodity pacts in general and the two in which they are so powerful: tin and rubber. In particular, they have a moderating, pragmatic influence on others.

At home, economic growth has been too consistent to be regarded as a flash in the pan, and though government intervention, in pursuit of NEP goals, has grown it is still at a lower level than in many supposedly open, capitalist economies. Private investment has fallen behind the ambitious targets set for it by government, but it seems that businessmen, both foreign and local Chinese, are still making their decisions on the basis of profit potential and

are not unduly influenced by fears about the NEP. An 8 per cent growth rate has enabled restructuring of the economy to take place relatively painlessly and provided the cash to pump into massive productive schemes for education, land development and the like. Though the NEP has probably slowed growth in parts of the private sector, it has given an urgency to other sectors. Growth objectives have spurred government into taking a less conservative attitude to its own fiscal policy than used to be the case.

The economy has the resources, the manpower and the capital to continue to achieve a high rate of growth, and it is vital for racial harmony that it does so. But there are worries in the background that recent performance has been too reliant on the oil bonanza and on buoyant prices for almost all

export commodities. There is concern too that the size of the public sector is already too big and will grow inexorably because of the restructuring demands of the NEP, giving rise to inefficiencies, subsidies and an excess of political and bureaucratic patronage.

Malaysia's history over the past decade has shown pragmatism, tolerance and common sense winning out over racism, chauvinism and dogmatism. But it is not at all clear how well racial harmony would stand a sustained slowdown in economic growth. Rapid growth does not just enable the Malays to acquire a larger slice of the cake without depriving the non-Malays. Rapid growth keeps everyone busy. And, most of all, it gives all races an unbeatable reason for keeping the brotherhood of mankind and self-interest in balance.

The economy

Steady growth in the past year

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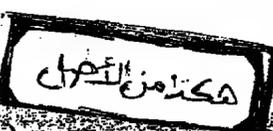
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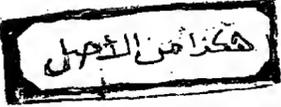
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Politics

The leadership endorsed

THE RESULTS of the Malaysian general election of last July—the major event in the political calendar of the past year—gave cause both for comfort and concern.

The reason for concern was that the pattern of voting took a further shift towards reflecting the country's racial divisions. The Chinese-based opposition Democratic Action Party (DAP)—an avowedly multi-racial party but appealing to the grievances of the Chinese community—picked up 16 seats in the new Parliament, more than any other single opposition party has gained in the country's history.

Nationwide it won about 20 per cent of the vote—the Chinese account for more than a third of the population—but in the seats that it contested, Mr. Lim Kit Siang, the DAP leader, claims it picked up about 80 per cent of Chinese votes. Its successes were mainly in the urban areas, including the capital Kuala Lumpur, where the Chinese are often in the majority and Chinese resentment runs highest against the Government's policy of favouring Malays in the allocation of jobs and places in educational institutions. The extent of communal support was all the more striking in view of the considerable clampdown on the party's campaigning activities, leading Mr. Lim to charge that the elections were "the most unfair and undemocratic in Malaysia's history."

Public rallies were banned by the Inspector General of Police on the grounds that communist insurgents might attempt to disrupt them and incite communal violence. The DAP got minimal coverage in the Press and on radio and television. Two of the DAP candidates fought from prison and won. And Mr. Lim himself faced charges over a

breach of the Official Secrets Act on which he was later convicted and his appeal against which has still to be heard. The cause for comfort is that the sheer size of the victory of Prime Minister Datuk Hussein Onn's ruling National Front shows that there is a great deal of backing for his attempt to command the middle ground of politics against the worst extremes of either Chinese or Malay prejudice. The Front—a coalition of 10 parties representing Malay, Chinese, Indian and regional interests but overwhelmingly dominated by Hussein's own United Malay National Organisation (UMNO)—won 131 of the 154 seats in the House of Representatives and majorities in all 13 state governments.

The number of seats the front obtained overestimates its popular support, as it polled only about 55 per cent of the votes. Nonetheless, most Malays preferred it to the alternative of the Party Islam which offered a freerhand dose of Malay and Moslem fundamentalism and which politically has since gone into eclipse after posing 18 months ago what seemed to be a serious challenge to the Front. Evidently a good many Chinese and Indians also thought the Front a safer option to the uncertainties of embittered by racial politics. If they dislike many of the measures that UMNO has imposed on the Government in the interests of Malays, they profit sufficiently from the country's overall prosperity to swallow the less palatable aspects of the New Economic Policy.

As a result of his success in the election, the Prime Minister has emerged in a far more dominant position over the Government and his party than before. One of his reasons for calling the election earlier than

was necessary was the challenge to his authority both from the powerful UMNO youth leader, Datuk Harun Idris, and from demonstrative factions in states such as Kelantan. At the UMNO party assembly that followed shortly after the election, Datuk Hussein's supremacy—for all his reticent public manner and his slow, unconvincing leadership—was heavily endorsed. Harun has been effectively removed from politics by his conviction on corruption charges and the Prime Minister's refusal to show him clemency. Kelantan, like the other states, is more beholden to the central government because of the front's victory in the state elections and the appointment of new chief ministers in a number of states who reflect the Prime Minister's wish for more honest and efficient administration.

The hierarchy of leadership beneath him has also emerged more clearly with Dr. Mohamed Mahathir, the Deputy Prime Minister, who also holds the key portfolio of industry and trade. He is the Prime Minister's evident successor and the man with most responsibility under the New Economic Policy for carrying through the almost impossible balancing act of fulfilling Malay ambitions

while not frightening off potential Chinese or foreign investors. Dr. Mahathir has now established himself as more of a central figure in this tussle than the open champion of the Malay cause that he was 10 years ago when he published his "The Malay Dilemma," which is still banned in Malaysia because of its racial overtones. Below him the new generation of politicians is dominated by the rivalry between Datuk Musa Harim, the Education Minister, and Tengku Razaleigh, the Finance Minister. Personalities and patronage, not issues of policy, are more important in determining who will come out on top.

Even before the election had confirmed the communal pattern of voting, Mr. Hussein had abandoned his old dream of making UMNO a multi-racial party. Membership is still closed to non-Malays and Mr. Hussein has reluctantly accepted that the structure of politics in Malaysia is still being determined by race—although he holds fast to his ambitions of creating a multi-racial society.

Inevitably this means that the future of UMNO will be determined by the way it is able to accommodate Malays of

widely differing views—from those like Mr. Onn himself, with a deep commitment to establishing a multi-racial Malaysia to Malay and Moslem extremists who once gave the Party Islam their support. Inevitably this also means that some of the UMNO's partners in the coalition Government have lost credibility with their own communities. The Malaysian Chinese Association (MCA) and the Chinese-based Gerakan Party thus both lost ground in the elections. Their main appeal to their supporters is the patronage they can bestow on them through partnership with UMNO in the Government. But even this is wearing thin. The Chinese business community, which once looked to the MCA to lobby for their interests, now see it more worthwhile to press their case with Ministers directly.

If Datuk Hussein has lost hope of persuading his fellow party members to open the doors of UMNO to non-Malays, he has made a determined attempt since his election victory to demonstrate that he wants to give a better deal to the Chinese. This has emerged in his recruitment of able Chinese to his administration,

such as Mr. Paul Leong, a chemical engineer in his late 30s who has been made Minister of Primary Industries, and Mr. Leo Moggie, who has taken over the Ministry of Energy and Communications. Both these posts, however, are technocrat appointments, which carry little political weight, especially as the administration of the Rubber Industry Smallholders Development Authority (RISDA)—an important source of patronage to the Malay community—has now been removed from Mr. Leong's responsibility. Also part of the attempt to woo the Chinese business community are the modifications to the industrial co-ordination act, which is the main instrument for monitoring implementation of the New Economic Policy.

The same emphasis on efficiency and a cleaner administration has been apparent in the first promotion that Datuk Hussein has given to young and able Malays. Having stood fast against pressure on him to show leniency to Datuk Harun, he has made the campaign against corruption one of the hallmarks of his new Government. Appointments in this vein have included Abdul Manan Othman as Minister of Public Enterprises, Sanusi Junid, a banker with experience in rural credit, as Deputy Minister for Land and Regional Development, and Adib Adam, 37, as Chief Minister of Malacca.

Both the Chinese leaders and Dr. Mahathir agree that racial tensions have been growing in recent years as the New Economic Policy begins to bite, whetting the appetite of Malays for more advantages and feeding Chinese resentment that they

are being deprived of opportunities. The temperature unpredictably rises and falls with the ever present possibility of communal violence, especially in the towns.

The strains have recently clearly emerged over two issues. The first was the renewal in Parliament by Mr. Lim, the DAP leader, of a long standing demand for what would effectively be a private Chinese university—the Merdeka University. This was a provocative move, bound to enrage Malays, who see such an institution as restoring the educational advantages the Chinese once had and as likely to unite the Chinese against domination by Malays. After heated debate the Government turned down the demand, and the issue of the right to establish a private higher education institution is now to come before the courts.

The second issue is an equally long standing demand by the radicals among the Malays that the law of the country be based on Islam instead of the British system inherited at the time of independence. This is due to come before the next session of Parliament.

Fright

The strength of these calls for reform has given a considerable fright to the sultans, who are nominal rulers of most of the states, and to the Malay elite, as well as more obviously to the non-Moslem communities. It would represent more of a threat to them all if the Islamic movement was united. But at the moment it is sharply split with youth movements like

ABIM advocating a "progressive" Islamic society, while another group, Al-Arkam, has put most emphasis on the carrying out of Islamic rituals and has established its own commune where Islamic practices are fully observed.

In this situation the Government justifies its use of the Internal Security Act to detain suspects without trial, and its restrictions on Press and academic freedom as necessary to keep communal tensions within bounds and prevent the Communist insurgents from exploiting them. The number of Communist guerrillas is put at 3,000 but there is no way of confirming this figure, and they do not seem to have been active of late.

Among permitted political parties such restrictions work most forcefully against the DAP. Mr. Lim's political objectives are to gain control of states such as Penang and Perak, where the Chinese are in a majority. But even if he does it is hard to see the Government allowing him to exercise anything but very limited power.

In the past the Federal Government has been quick to invoke its emergency authority against states that have not the line to put them under federal control.

While the economy continues to perform well the hope must be that enough people feel they have a worthwhile stake in the country to draw back from extremist positions. The corollary to that, however, is that in a recession the risks of growing communal tension and violence would inevitably increase.

David Housego

Steady growth

CONTINUED FROM PREVIOUS PAGE

high of 25.8 per cent of GNP. But a combination of increased consumption and higher capital outflow have reduced the availability of private savings for domestic investment. Total private savings for the TMP period have been revised down from M\$31.7bn to M\$27.1bn.

Public development expenditure has been greatly stepped up. Public sector investment grew 8.3 per cent in real terms in 1976-78 and the rate would have been much higher but for the fact that neither Malaysian Airline System nor Malaysian International Shipping Corporation (MISC) made any capital purchases last year. These public sector corporations have some major acquisitions coming up. As a result, despite a slowing of the Government's own spending, public sector growth in 1979-80 will be more than 15 per cent annually and bring the TMP annual average to about 11 per cent, or close to double the original target. Even without MISC and MAS, the increased GNP contribution to development spending allocation for the TMP have been raised from an original M\$18.6bn to M\$32bn. However, the announced 73 per cent increase is misleading—what counts is actual spending which lags well behind allocation. It is expected to reach M\$25bn, an increase of 25 per cent on the original target.

Quite what the increase means in terms of physical achievements is not quite clear. The original plan had built into it an assumed inflation rate of 5 per cent.

The actual annual rate of consumer price increase recorded so far has been very close to that, but that costs of construction and capital goods have tended to rise more rapidly than the consumer price index which is heavily weighted towards essentials, which are subject to price controls.

Only part of the increase in development budget outlays is directly reflected in public sector contribution to gross national expenditure. A substantial part goes to agencies engaged in equity participation and ownership restructuring in the private sector.

The Government is able to finance its increased development spending through higher-than-expected revenue and a check on public consumption. Public consumption averaged 9.8 per cent growth in 1976-78, but a tighter grip on it has now been introduced. This year's budget provides for an increase (in current prices) of only 7.4 per cent in operating expenditures, following a 9.5 per cent rise in 1978.

Meanwhile, buoyant revenues generated current surpluses for the Federal Government in 1977 and 1978. Revenue collections rose 20 per cent in 1976, 26 per cent in 1977 and 9.5 per cent last year. A major cause has been petroleum revenue which last year totalled M\$880m, or 10 per cent of total revenues.

High commodity prices also boosted both export taxes and corporate income tax. Export duties, of which rubber provides

about half, account for 17 per cent of revenue and corporate income tax about 27 per cent. The Government now expects the public sector current surplus for the TMP period to be M\$5.9bn, compared with an original estimated M\$1.9bn. Despite increased development spending, the Government has been able to revise downwards its public sector borrowing requirements from both domestic and external sources.

Net foreign borrowing by the public sector in 1979-80 is now put at M\$1.8bn to bring the TMP total to M\$3.5bn.

A very healthy trade balance, achieved in the past three years, has greatly reduced the need for foreign financing. The current account was in surplus by M\$1.8bn in 1976 and M\$1.3bn in 1977.

Last year it slipped into a small deficit, but even on the assumption of deficit totalling M\$3bn in 1979-80, the Third Plan aggregate would still be in surplus compared with an originally expected M\$5bn deficit. However, much of the benefit seems to be seeping away in a huge deficit on short-term capital flows, errors and omissions.

Part of the deficit may be accounted for by under-recording of service payments, especially tourism, to Singapore. Some local companies, notably Petronas, have been deliberately building bank balances abroad. However, there are worries that the outflow is higher than is healthy.

The ringgit has remained steady on a trade weighted basis. But some economists considered that in view of the strength in the current account it should have been allowed to rise to reduce inflation pressures.

The boost given to GNP by export and government revenues by oil buoyant prices for commodities cannot be forgotten. Crude oil exports grew at an annual average 43 per cent by volume and 49 per cent by value in 1976-80. They now total M\$2.4bn or 14 per cent of total exports.

Originally the Malaysian Government emphasised that it was pursuing a policy of slow, conservation-conscious oil development. But this policy seems to have been discarded in favour of maximum growth.

However, many warn that its coincidence with booming earnings from other products may be creating a complacent attitude towards the longer-term trend in export growth. Pessimists suggest that if the economy can only just meet its growth targets when exports were exceptionally strong, and the whole economy is benefiting from the oil windfall, its prospects look cloudy if external conditions turn sour. Comparison with the export price performance of the neighbouring Philippines shows just how lucky Malaysia has been recently.

Last year, terms of trade improved, albeit only marginally, for the third year in succession, making a 40 per cent gain since 1975. At present there is no sign of an end to the run of good fortune.

Philip Bowring



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MALAYSIA IV

Foreign affairs

# Neutral policy under strain

IF THE militant neutralism which was the legacy in foreign policy of Tun Abdul Razak, the predecessor as Prime Minister of Datuk Hussein Onn, has not been abandoned as a result of the recent events in Indochina, it has been badly strained. The Malaysians now find it harder to maintain their ideal of a zone of peace, freedom and neutrality in South East Asia embracing Vietnam after Vietnam's treaty of friendship with Russia and its invasion of Cambodia. As yet Malaysia has not formulated any alternative foreign policy to take account both of Vietnam's act of aggression and of the region increasingly becoming a focal point for Sino-Soviet rivalry. There may, however, be no realistic alternative even though the zone of peace looks increasingly like wishful thinking.

Tun Razak's policy of neutrality had its roots in the withdrawal of British forces from Malaysia eight years ago. In the absence of the meagre defence umbrella that the British forces had provided, the most sensible course for a Malaysia that had passed through the trauma of fighting communist insurgents during the Emergency and then of confrontation with Indonesia appeared to be one of active non-alignment. Malaysia thus declined to get involved in the U.S. tussle in Vietnam, in contrast to Thailand and the Philippines which provided the U.S. with bases.

It won in principle the support of its partners in the five-member grouping of the Association of South East Asian Nations (ASEAN) for the concept of the neutralisation of South East Asia as a whole as a way of preventing great power rivalry in the region. It was the first of the ASEAN states to exchange diplomatic representatives with Hanoi. Since the end of the Vietnam War it has been in the fore in promoting exchanges with Vietnam, including programmes of economic co-operation such as providing Vietnam with assistance in developing its rubber industry. It was also the first ASEAN state to establish links with China.

But as a result of Vietnam's treaty of friendship with Moscow and its invasion of Cambodia, Malaysia has effectively suspended the rubber agreement. It no longer feels that there can be an accommodation with Vietnam on the basis of mutual sincerity and goodwill. China's action in teaching Vietnam a lesson by the attack on its frontier is seen as beneficial if Vietnam has learnt as a result that it cannot act towards its neighbours with impunity. On the other hand the Chinese attack

is seen as a bad precedent and a damaging blow in Malaysia's policy of attempting to keep the major powers from competing in the region.

Both acts of aggression have deepened Malaysia's long-standing distrust of Vietnam and China, which has been a continuing undercurrent to a policy of overtly friendly gestures. Malaysia views its security in the broad perspective in which the two states are both expansionist powers. For the moment Malaysia is more pre-occupied with Vietnam—especially since Vietnam allowed Russian warships in March to dock at Cam Ranh Bay. It has told the Vietnamese that Malaysia would regard the granting of base facilities to the Russians at Cam Ranh Bay as a "very dangerous" step.

Failure  
Malaysia also regards Vietnam's failure to take any serious measures to stem the flow of boat refugees as a deliberate step towards dividing and undermining the ASEAN states. Malaysia is the one most affected as the nearest landing point to Vietnam and the state least able to cope with an influx of ethnic Chinese because of its already delicate racial balance. By the end of March the number of boat refugees to Malaysia had risen to 57,000 in spite of occasional attempts by the Malaysian Navy to drive the refugee boats away.

But the more dangerous threat in the long run is seen to come from China. This is partly because of China's size and its historic claims to tribute from south east Asian states. But it also stems from fear of China's influence over Malaysia's ethnic Chinese community and Peking's support for the Malaysian Communist Party, which recruits from among the ethnic Chinese.

Malaysia's deep seated fears of Vietnam and China were clearly reflected in a speech given by Ghazali Shafee, the Home Minister and formerly the senior official in the Foreign Ministry, in November. Though admittedly a headline anti-Communist, and claiming to be voicing only his own views, his speech was nonetheless given immense prominence in the Government-inspired Press. Calling for the greatest circumspection and vigilance towards China and Vietnam, he disparagingly referred to the visits to South East Asia last year of Pham Van Dong, the Vietnamese Premier, and Deng Xiaoping, the Chinese Deputy Vice-Premier. He implied that the offer of friendship by the first in renouncing support for the Malaysian Communist Insurgents and the openness of the second in pub-

licly stating that China would continue to support the Malaysian Communist Party on the basis of inter-party relations were different facets of the same Communist ambition to undermine Malaysia.

Mr. Ghazali Shafee is often used by the Government in sensitive diplomatic missions. His role points to one of the weaknesses of Malaysia in shaping its foreign policy—that the Ministry of Foreign Affairs, with some notable exceptions, is not strongly staffed and has an indifferent record in gathering intelligence and assessing it. There is little doubt that it has been made to look foolish in recent months by its former willingness to take Vietnam's gestures of goodwill seemingly at face value.

The visits of both Dong and Deng were attempts to win Malaysian support to the rival causes of Vietnam and China in Indochina. Though Mr. Dong was treated with more distrust, remarks of Mr. Deng caused greater concern. Not only did the Malaysian Government feel embarrassed by his open support in Kuala Lumpur for the Malaysian Communist Party, they were also angered by two other statements he made which implied that Malaysian Chinese did not have the same rights in the country as Malays—an assertion liable to fuel communal tensions—and that Peking had a right to protect overseas Chinese who did not have local nationality.

The way that Malaysia was able to co-ordinate with its partners in ASEAN a common stance towards the visits of the Vietnamese and Chinese leaders—and late towards the two countries' acts of aggression—was impressive evidence of the growing co-operation among the ASEAN states. So long as the Indochina conflict does not spill over into their own territories, they for the moment view the squabbling between the Communist states as beneficial to them. Malaysia certainly does not want ASEAN to be further strengthened into a military pact. Apart from the fact that this would be taken as an act of confrontation by the Communist states, there are still numerous points of dispute amongst the ASEAN countries that would make any such tie-up difficult.

Respect  
Malaysia's relations with the Philippines are more difficult than with any other of the ASEAN states. President Marcos has still to drop the Philippines' claim to Sabah, in spite of his promise to do so. As the war in the southern Philippines between the Muslim insurgents and the Marcos regime picks up again, there are

signs that the insurgents are again receiving support from sympathisers in Sabah. At the same time some of the 100,000 Filipino Moslem refugees in Sabah are being granted jobs and land by the Government—a stark contrast to the treatment of boat refugees from Vietnam.

Malaysia has drawn closer to Thailand out of respect for the leadership of General Kriangsak Chamanan and the way he has walked a delicate tightrope in relations with China, Russia and the Indochina states. But Malaysian reluctance to engage in joint military action against Thailand's southern border puts a limit on their joint operations against insurgents.

Relations with Singapore continue to be edgy—a reflection of Malaysia's uneasiness at the success of its Chinese neighbour and a desire to emulate it. But on important issues of security and coordination within ASEAN there appears to be proper consultation.

Negotiations  
Internationally Malaysia's image has been dented by its often heartless treatment of the Vietnamese boat refugees. The Malaysians deeply resent the unfavourable publicity they have had on this score, feeling that it shows a lack of awareness of their serious communal problems and an equally unjustified self-righteousness by the western nations who have refused to provide sufficient quotas of final destinations for the refugees. If Malaysians are right in thinking that 500,000 to 1m refugees could eventually leave Vietnam, then they have a point in claiming that their own nation of 12m could not absorb further large numbers of ethnic Chinese.

David Housego

Banking

# A moderate year

THE PAST year has been a good one for Malaysian commercial banks—but a disappointing one for the merchant banks.

The commercial banks expanded in line with the growth of the economy. Their liquidity ratio, which was a staggering 41.8 per cent at the start of the year, fell significantly during the year with the strong demand for credit.

The two largest banks—Malayan Banking and Bank Bumiputra—made profits of over 40 per cent, and expect good results this year.

As for 1979, there is every prospect for another year of favourable results, barring unforeseen circumstances.

By allowing commercial banks to quote their own interest rates, the authorities want to encourage healthy competition. The move will put pressure on the small local banks.

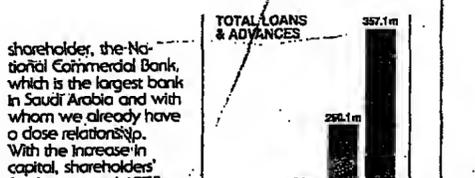
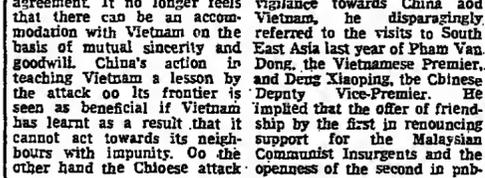
Foreign banks had been disadvantaged in the past by their inability to open branches. Now they can compete for deposits by offering better rates. After some weeks of "wait and see," the competition is on. Banks and finance companies are revising rates, and gone actively to attract deposits.

Liquidity ratio requirements have also been reformed so that the user of the deposits will have to comply with liquidity requirements instead of the bank which first accepted the deposits.

The activities of merchant banks are expected to undergo distinct reorientation following the directive that at least 30 per cent of their income must come from fees, as opposed to fund-based income, by the end of 1981.

Reformed

Bankers' acceptances and negotiable certificates of deposits will be introduced next month. Liquidity ratio requirements have also been reformed so that the user of the deposits will have to comply with liquidity requirements instead of the bank which first accepted the deposits.



shareholder, the National Commercial Bank, which is the largest bank in Saudi Arabia and with whom we already have a close relationship. With the increase in capital, shareholders' funds as at end 1978 totalled M\$18.2 billion compared with M\$10.8 billion in 1977.

resources, agriculture, construction and property development, housing, air and sea transport, manufacturing, trading, banking and investment. The majority of loans extended were to clients in Malaysia.

Leasing activities, bills and guarantee business have also continued to expand.

As for 1979, there is every prospect for another year of favourable results, barring unforeseen circumstances.

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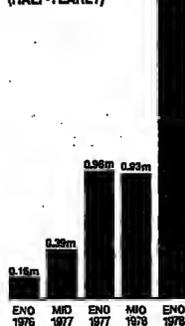
1978

Three years ago, we began operations with a staff of three occupying a small half-floor office at Jalan Bandar, Kuala Lumpur—a modest start to what is today the largest wholesale bank in Malaysia as confirmed by a 1977 annual survey of the merchant banks in this country recently published by the well known SGV Group. Since the time of the survey, Arab-Malaysian Development Bank (AMDB) has doubled in size. It has managed and co-managed loans, equity and guarantee issues running in total into billions. Today, our new headquarters in Kuala Lumpur occupy five floors of Bangunan Dato' Zainal in the financial heart of the City and our staff strength totals sixty-one. These results have proved in depth the effectiveness of AMDB's management philosophy and innovative approach to development and wholesale banking.

Performance

1978 was a year of achievement for the Group. Total assets have increased in 1978 to M\$510,098,507 from M\$255,669,274 in 1977. Group pre-tax profit achieved in 1978 was M\$3,251,415, up 140% from M\$1,354,401 in 1977 while pre-tax profit of the Bank was M\$2,064,863 in 1978 compared with M\$1,274,069 in 1977. Group net profit achieved was M\$2,309,618 representing a net return of 17.9% on average

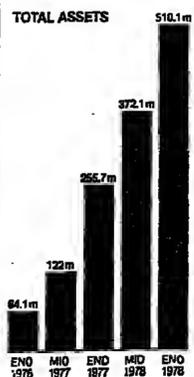
PRE-TAX PROFIT (HALF-YEARLY)



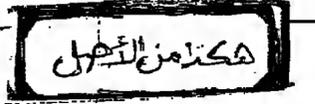
shareholders' funds (12.9% in 1977)—a marked improvement in net earnings. The Bank's net profit amounted to M\$1,899,600 in 1978 as compared to M\$966,552 in 1977.

Shareholders' Funds

Following our increase in share capital to M\$45 million in August, we now have



Malaysian dollar 1.00 = US dollar 0.455



MALAYSIA V

Planning

Income disparities still a problem

BY THE time the Third Malaysian Plan has run its course, 20 months from now, the country will be at the half-way mark in its 20-year socio-economic revolution aimed at giving Malays a stake in the modern economy which is roughly equivalent to their numbers.

The recently-published mid-term review of the Plan is therefore an important indicator of how much progress has been made, and what priorities may need to be adopted by those now beginning to work on the Fourth Malaysia Plan.

The slowest progress is probably being made in that sector which often attracts the most attention—the corporate sector. By the end of last year, the Bumiputra (Malay) ownership of share capital had reached 10.3 per cent compared with 9.4 per cent in 1975 and 4.3 per cent in 1971 at the outset of the new economic policy. (The share capital figures include net local assets of foreign companies as well as the paid-in capital of local limited companies.)

This is a modest rate of advance, especially in the context of the large sums that have been pumped into share acquisition by the Government—for example, Pemas early on exceeded its original Third Plan allocation when it took over the big tin group London Tin.

Though much is said about the need to raise the rate of household savings among Malays so that they can afford to buy shares, no one seems confident that this is likely to happen in the near future. The Government stresses the need to raise Malays' earnings to average Malaysian levels before any high personal savings start to accumulate, and before serious thought is given to disposing of shares held in trust by institutions to individual Malays.

There is a deep-seated worry that if shares were made available to individuals many Malays would sell their shares to Chinese, defeating the whole purpose of the exercise. But the government is also reluctant to tell Malays that they cannot sell their shares to non-Malays as this would create a two-class share market and be another indicator of socio-economic division.

Another problem confronting the growth of Malay ownership is whether or not share capital will grow fast enough to permit their share to reach the 30 per cent target by 1990 on the basis of growth of total capital rather than acquisition from existing shareholders.

To achieve that target, share capital has to grow at about twice the rate of nominal Gross National Product. For a country at its stage of development, Malaysia already has a large corporate sector. The evidence on its rate of growth is confusing but not encouraging. According to Third Plan figures, between 1971 and 1975 share capital growth was no faster than GNP. However, these figures have now been revised drastically upwards to show an annual average 23 per cent growth in share capital during 1971-75. That would be about on target.

Progress is not going to get any easier for another reason: the foreign share of local corporate assets has fallen steeply since 1971—from 61 per cent to 46 per cent. But the biggest gain has been made not by the Bumiputras but by other Malaysians whose stake has risen from 24 per cent to 43 per cent—already higher than the 40 per cent this group is supposed to own by 1990.

It is a relatively easy and uncontroversial process to acquire assets from foreigners; much more difficult would be large-scale acquisition by Malays from non-Malays. That will be unavoidable if the corporate cake does not grow very much faster than it has been growing.

One consequence could be a new push to create state-owned capital-intensive industries, such as steel, which would be funded by the government partly through Bumiputra institutions so that their share capital would count towards the Bumiputra ownership total.

Another, and easier, tactic for getting to the 30 per cent by 1990 would be to re-define the hundreds of thousands of acres of land being bought by settlers on Federal Agricultural Development Authority (FELDA) schemes as part of the corporate sector. A first step in this direction might be to allow commercial bank financing of FELDA schemes. Such a transfer of FELDA land

ownership to the corporate sector would better reflect the Malays' actual participation in the modern economy as opposed to their participation in the narrowly defined corporate sector.

Meanwhile, in the non-corporate modern sector, the Malays clearly have been making very much greater progress. This is especially the case in the small business sector, which is absolutely critical if trading and capitalistic concepts are to take root among the Malays and eventually allow them to compete on equal terms with the Chinese.

Unfortunately little data is available other than from

banks. The Malays' share of outstanding bank credit rose from 12 per cent at the end of 1975 to almost 16 per cent in 1978. The Bumiputras also got 21 per cent of the increase in credit during the 18 months to mid-1978. Both figures were ahead of the guidelines set by the Bank Negara, suggesting that the banks have not been having any particular trouble finding credit-worthy Bumiputra individuals and businesses.

The Bumiputra share of finance company credit was larger than for the banks. Though loans to Bumiputras appear to be concentrated on housing and personal loans there is no doubt that loans to

small to medium-sized commercial and industrial enterprises has also grown.

Loan finance has a larger multiplier effect on Bumiputra participation in the modern sector than does equity capital. Improved Malay participation in the modern, urban economy is also shown by income and employment figures. Malays are moving into urban areas in increasingly large numbers. By 1980 it is now estimated that Malays will constitute one-third of urban dwellers compared with 29 per cent in 1975 and a very much lower figure a decade ago. Meanwhile, the overall urban population is growing at 4.4 per cent compared with 2.6 per cent

for the whole country.

Malay progress in the economy is also indicated by their participation in various kinds of employment. Between 1973 and 1978 their share of professional and technical jobs rose from 46 per cent to 53 per cent; of administrative and managerial jobs from 27 to 32 per cent; and of sales workers from 23 to 28 per cent. Indeed, their share of all categories except agricultural workers increased markedly.

Clearly these moves into the urban economy have had considerable economic benefits, but it is not clear whether or not the move has led to more equal income distribution—which is one of the key objects of the

National Economic Plan which assumes a direct link between race and class.

Another set of figures shows that the average incomes of the bottom 40 per cent of households grew at an annual average 10.3 per cent in current prices during 1971-78. That is only a little ahead of inflation and way behind the increase in nominal GNP. From these figures, the rich-poor gap therefore would seem to be widening, which must be to the disadvantage of the Malays who make up the majority of the bottom 40 per cent.

What is probably happening in fact is that the Malays who are receiving education and

becoming urbanised are doing very much better than before, receiving and seizing opportunities for economic equality. But the rural majority, particularly in areas where Malays form the vast majority of the population, is falling rapidly behind the urban community, Malay and non-Malay.

This theory is given weight by the fact that regional income disparities have continued to grow. Strongly Malay rural states such as Kedah and Kelantan have fared especially badly and new efforts are now to be made to help them. Success will not be easy.

P.B.

Manufacturing

Restrictions in export markets

MALAYSIA'S manufacturing industries continue to keep up their impressive growth of recent years. But maintaining the momentum is becoming more difficult each year as manufacturers encounter increasing restrictions abroad. Manufacturing now accounts for more than 19 per cent of the Gross Domestic Product (12 per cent in 1970) and more than 580,000 people, or 13 per cent of the workforce are in this sector.

Its growth is crucial to the success of the Government's new economic policy. Manufacturing is expected to be the fastest-growing area in the economy so that by 1990, it is likely to account for at least 26 per cent of the GDP, and give employment to the greatest number of Malaysians.

Currently, the Government is placing stress on foreign investment. Under the Third Malaysia Plan, the inflow of foreign investment was targeted at 3,650m ringgits (£820m), but this has been revised upwards to R5,669m.

This is partly because local private investment has fallen very short of target for the past four years. The Government hoped the influx of foreign capi-

tal and expertise would act as a catalyst.

Viewed in this context, the current investment promotion mission to Manchester, Munich and Milan, led by Dr. Mahathir, Deputy Prime Minister and the country's economic leader, assumes added significance.

Dr. Mahathir led similar missions last year to Europe, the United States and Japan, and plans to carry out one or two more this year. In his view, manufacturing is an area of which Malaysian businessmen, traditionally confined to trade, construction and plantations, have little knowledge, particularly on overseas markets.

He feels that if foreign entrepreneurs were to come in with projects and an assured market, there would be no lack of local businessmen willing to come forward as partners.

There are encouraging signs that the local businessmen are putting money into manufacturing again. Bank loans for manufacturing have risen, imports of investment goods went up 18 per cent last year, and many existing factories are taking advantage of the attractive, accelerated depreciation allowance to modernise and expand their plant.

In its survey last December,

the Central Bank found that 38 per cent of the companies interviewed were operating at 81 to 90 per cent capacity (52 per cent in 1977) while 58 per cent were running at 81 to 100 per cent capacity (43 per cent in 1977).

Approvals for projects have increased. Last year, 428 projects with a total investment of 1,120m ringgits were approved, compared with 400 projects with potential investments of R580m in 1977.

Sweeping

The government now admits that the sweeping industrial laws passed in 1973 had created uncertainties among investors, and has taken steps to undo the harm. It now seeks to reassure local businessmen, particularly the Chinese, that it intends to be flexible with its powers, and has agreed to set up a board of appeal for licences rejected under the controversial Industrial Co-ordination Act.

To reduce red tape, a central unit was set up at the Malaysian Industrial Development Authority last year to handle all inquiries from prospective manufacturers. By and large,

the unit has succeeded in cutting bureaucratic delays that used to exhaust the enthusiasm of many a potential investor about Malaysia.

After a slowdown in 1977, the manufacturing sector grew by 14 per cent last year, in response to strong domestic and overseas demand.

So far, Malaysia has done commendably well in finding markets for its manufactured products overseas. Last year, exports of manufactured goods rose by 36 per cent to 3,600m ringgits. In 1975, exports of these goods amounted to 2,000m ringgits.

But there are ominous signs on the horizon. Industrialised countries can be expected to be more restrictive towards manufactured goods from the newly-industrialising countries.

Malaysian manufacturers could be hard hit by this trend, as they are still not as aggressive and organised as their rivals in Hong Kong, South Korea, Taiwan and Singapore. Malaysia's industrial base is still weak and thinly based, with most of the factories producing mainly for the domestic market.

While export figures are impressive, closer examination shows that the electronic fac-

tories in the free trade zones—assembling electronic component parts such as semi-conductors and integrated circuits—and textiles account for 60 per cent of total exports of manufactured goods.

These two industries are in Malaysia because there is plenty of cheap female labour, and they are very vulnerable to shifts in world demand and quotas. Textile exports are not expected to grow as rapidly as before because of restrictions in the EEC, the U.S., Canada, Australia and Japan.

Australia is probably the most restrictive market as far as Malaysian goods are concerned. Strict quotas and duties are imposed on Malaysian wood products, textiles, footwear, electrical, engineering and rubber goods.

Canned pineapples face quotas and restrictions in the U.S. and Japan, with Japan having a policy of discouraging the import of processed and semi-processed products.

"This leaves the general feeling that the developed countries survive on past glories, and do not wish to see new nations, historically producers of raw materials, change their role to producers of manufactured

goods," a senior Malaysian trade official laments.

Because of the availability of cheap energy in East Malaysia, several major industrial projects are being planned in Sabah and Sarawak.

Work on the 51m natural liquid gas project is going full steam ahead at Bintulu, Sarawak, and work on a \$750m aluminium smelter is to start at the end of the year at Labuan, Sabah, using gas from the nearby oilfields. The smelter, which has a capacity of between 400,000 and 500,000 tonnes, is a joint venture between French, South Korean and Malaysian interests.

The giant American aluminium company, Reynolds, has also signed a letter of intent with the Sarawak government to build a similar size smelter at Bintulu—if it could be guaranteed cheap energy.

And, finally, the federal government is keen to build a \$1.6bn steel plant at Bintulu (a study by an Austrian company has confirmed its viability) and preliminary discussions with prospective foreign partners have begun.

Wong Sulong



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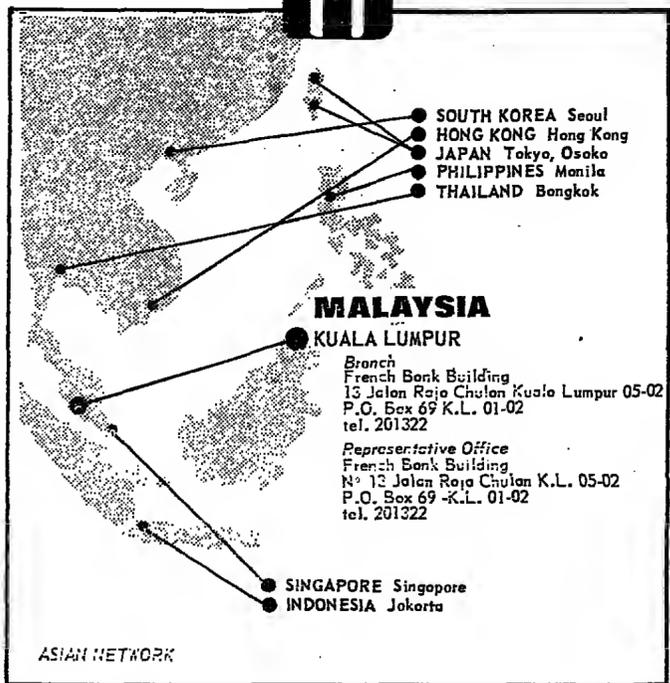
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MALAYSIA VI

Rubber

A growing confidence

THE RUBBER tree, a native of Brazil, has flourished in Malaysia for 101 years. Since the turn of the century, it has been the main prop of the economy and will remain so for many years to come.

As Herco Brachiosis enters its second century in South-East Asia, there is considerable debate about its future.

Natural rubber is not being threatened. Far from it. With nil prices spiralling, synthetic rubber, which presented so serious a challenge to natural rubber (NR) in the 1960s and early 1970s, has lost its sting.

Rather, the problem facing Malaysia, as the world's biggest NR producer (43 per cent), is how to ensure sufficient supplies to meet growing world demand for elastomers.

"If we don't increase output, we might lose out by default," commented Mr. Paul Leong, the Minister for Primary Industries. "Once natural rubber consumers restructure their plants to use synthetic, then it's very difficult for us to regain lost ground."

Mr. Leong put the supply problem in the statistical terms: natural rubber now accounts for 31 per cent of the elastomer market of 12.4m tonnes. Various studies have shown that demand for rubber will rise by 5 to 6 per cent a year to reach 24m tonnes in 1990.

Based on a 31 per cent share of the market, the supply of NR should be 7.44m tonnes in 1990. But NR output in the past 15 years had grown by 3.8 per cent a year, and based on this rate, NR's production in 1990 would only be 6m tonnes, or only 23 per cent of the projected market.

Considering the defensive position of synthetic rubber in the coming years, NR can even increase its share of the market to as much as 42 per cent—if supplies are available.

Over the years, the acreage under rubber has been gradually scaled down. Shaken by the threat from "synthetic" and encouraged by better returns from palm oil, Malaysian plantations have moved rapidly to the latter crop.

Most plantations now have a higher palm oil acreage over rubber. In 1967, rubber in the plantations covered 1,836,000 acres. Last year, this was down to 1,398,000 acres.

This decline in acreage in the

estate sector was partly made back by the increase in the smallholders' sector, particularly from land schemes opened by the Government. Rubber under smallholders last year increased by 45,000 acres to 2,578,000 acres.

Malaysia's rubber production for the past few years had remained stagnant, partly because of drought and the run-down in the estates.

Last year's rubber output was 1,605,000 tonnes, which was 0.5 per cent lower than in 1977 and 2.3 per cent lower than in 1975.

Better

Rubber prices have by no means done badly. From an average of 139 Malaysian cents per kilo in 1973, it has risen steadily to 217 cents last year, and is now above 370 cents.

However, oil palm and cocoa provides a much better return. Plantation statistics from Kuala Lumpur Kepong, the fourth biggest plantation group, is probably illustrative of this picture. For the past five years, KLK could make a profit of 388 ringgits per year from a hectare of mature rubber, while it could make 1.575 ringgits from palm oil.

In the case of cocoa, the return is five or six times better than rubber.

Obviously, with this sort of profit margin, the estates are not going to move back to

rubber, unless there is strong financial incentive or Government pressure.

Even Government agencies face this problem as prospective settlers prefer to join their palm oil rather than the rubber schemes.

The Rubber Producers' Council has sent a memorandum to the Government urging it to restructure the rubber taxes to encourage more planting of the crop.

The tax on rubber exports is imposed on a progressive scale beginning when the price is 30 cents per pound. When the price is above 110 cents, the tax takes away 0.6 cents for every increase of 1 cent.

Rubber producers say since production cost is above 50 cents per pound, the duty should be set at 60 cents. The tax should also be scaled down so that the maximum marginal duty payable should not exceed 50 per cent.

Apart from expanding the acreage, there are two ways rubber production could be increased: by replanting and chemical stimulation. Both these methods are already practised extensively by the estates.

The bulk of the smallholders have also replanted their trees, although not many of them use chemical stimulation to boost output for fear of damaging the productive life of the trees.

But one fact is certain—while Malaysia wants to increase pro-

duction to take advantage of favourable prices and demand, it is not going to produce so much rubber to bring prices down.

There was a ripple of concern among Malaysian planters when it was announced that the United States would speed up its research on the viability of guayule, a desert shrub, as an alternative source of natural rubber.

Guayule can be grown on large parts of Arizona, New Mexico and Mexico—not to mention other arid lands—but the rubber produced appeared to have qualities that will make it competitive to synthetic rubber rather than natural rubber. It is still many years before guayule can make an impact on the world scene, even if its viability is proven.

The Malaysian rubber industry therefore is entering its second century with a new confidence, thanks to the increases in oil prices.

This confidence is best illustrated by the following events. In late 1974, severely depressed rubber prices sparked off widespread demonstrations in Malaysia by farmers and students.

The authorities launched a national "crab" programme, cutting production on estates and buying in the market, and succeeded in bringing prices to more tolerable levels.

Malaysia, therefore, with its four ASEAN partners, then turned their attention to the expansion of synthetic rubber by Japan and pushed for an international price stabilisation agreement.

After much cajoling, the ASEAN countries urged Japan to talk about slowing down their "synthetic" expansion, and extracted some money to build a rubber tyre laboratory outside Kuala Lumpur.

After a couple of meetings, little has been heard about the ASEAN-Japan forum on synthetic rubber.

Malaysia is playing a major role in producing an international rubber agreement, but the urgency has gone. Producing and consuming countries recently met in Geneva, and agreed on the major features of an international price stabilisation pact.

The pact envisages a 400,000-tonne rubber buffer stockpile with another 150,000 for contingencies. It would operate very much like the international tin bufferstock.

Prices are now higher than the 270 cents per kilo, fixed as the ceiling price under the agreement. The producing countries can now afford to take a harder stand in the discussions. "There is plenty of time on our hands," says a senior Malaysian negotiator.

W.S.

Agriculture

New policy needed

AFTER 21 years of independence, Malaysia is getting down to formulating a national agriculture policy. Up to now, the authorities have tackled agricultural problems largely on a crop by crop basis, without the benefit of an overall view of the agriculture sector.

The country has moved rapidly away from an over-dependence on agriculture, but even now it is by far the most important sector in the economy. It accounts for 25 per cent of the gross domestic product and 44 per cent of employment. It is also the sector with the highest incidence of poverty.

The committee set up under Dr. Mahathir, the Deputy Prime Minister, to draw up the national agriculture policy has been charged with finding ways of improving Malaysia's leading position as a primary commodity producer, while ensuring that the countryside remains a bulwark of social and political stability.

In arriving at their recommendations, the committee has to consider the following points:

(1) Good agricultural land is becoming scarce in peninsula Malaysia. Development costs will rise appreciably if marginal land is opened up.

(2) The practice of settling farmers on Government land schemes, while enormously popular and successful, is now considered to be somewhat "extravagant." The current rubber and palm oil schemes require 8-10 acres for each family, while less land is required for viability if crops such as cocoa and tea are cultivated.

(3) There is plenty of good agriculture land in sparsely populated East Malaysia, but no large-scale migration from West Malaysia is possible under the present political set-up.

(4) Despite vast amounts of money spent on irrigation schemes, and subsidies, the rice farmers are still among the poorest in the country. Experts disagree on how to improve their living standards.

(5) The area under rubber continues to fall at a time when long-term prospects for rubber have never been so good. The Government fears that unless natural rubber producers increase their output, they will lose out to synthetic merely by default.

Between 1970 and 1975, the Government opened up 1m acres of jungle for agriculture. Another million acres are being developed under the third Malaysia Plan. It is estimated there are still 4m acres suitable for agriculture in peninsular Malaysia, enough for another four five-year plans.

But most economists consider that the Government will find difficulty in getting enough land in large blocks for development after 1990. "Most states in peninsular Malaysia are no longer giving land to private companies for agriculture," says Tan Sri Kadir, the Minister of Land and Regional Development. There are two exceptions to the above policy. Private companies can still get large areas for estates if they go into partnership with Government agencies in the regional development areas, such as Pahang Tenggara, Johore Tenggara, South Kelantan and Terengganu Tengah. Also in Sabah, the state is giving land to private companies and individuals on the understanding that after 30

years or so the project will revert to the state.

Private companies in joint ventures in the regional areas are required to plant part of the land with less profitable crops. In this way, the Government ensures diversification without losses to itself.

For example, the Lam Soon Group has been given 6,000 acres in Pahang Tenggara. It is allowed to plant 3,000 acres under cocoa (a profitable crop), but has to plant the rest with orchards, something which is not being done on such a large scale.

Experimenting

Government land agencies are experimenting with new crops that require less land for a settler to make a living. Cocoa appears to be the best bet, but good results have also been shown by tea, coffee, and sugar cane. Vegetable gardening also has considerable potential if properly organised. All these crops require much less land than rubber or palm oil for a viable family farm.

As a group, the 1m people who depend on rice, face a bleak future. Unlike the rubber and

palm oil smallholders, whose productivity, while low by plantation standards, is still relatively high by world standards, the padi farmers in Malaysia are high-cost producers compared with their Asian counterparts.

The drought of the past two years has hit them hard. Rubber and palm oil growers suffered lower losses, and they were more than compensated by high prices. But there was little compensation for the padi farmers. In the Muda area, the rice bowl of Malaysia, last year's off-season crop was lost, necessitating a 100 per cent increase in rice imports of 500,000 tonnes. Three out of every four padi farmers live in poverty, compared with one out of two rubber smallholders, and one out of every 20 palm oil growers.

There are many, among them economists and politicians, who argue that the Government's irrigation projects and the guaranteed minimum price for padi only serve to enslave farmers in an uneconomic occupation. They argue there is no way that poverty among padi farmers can be reduced

unless a major land reform is instituted.

But the Government does not see the need for this. "There is a lot of misunderstanding about the absentee landlords. We do not have a situation as in other countries where a small number of families own thousands of acres," says Tan Sri Kadir. "In the Muda area, the so-called 'wealthy' landlords own less than 50 acres, and very seldom do you find one with more than 200 acres."

Now, what sort of land reform can we have? he asks. He admits that alleviating poverty among rice farmers is extremely difficult. The authorities are encouraging them to grow minor cash crops, poultry and fish to improve their income. At the same time, the Government is siphoning off the excess labour from the rice fields to the cities, and its rubber and palm oil schemes.

There are also plans to open new rice areas in Pahang and Sarawak, but production costs will be high unless mechanisation is used. The proposed national agriculture policy will have to answer these questions.

W.S.



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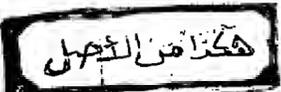
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Plantations

Difficulties in 'restructuring' estates

THE RECENT unsuccessful bid by Sime Darby Holdings for control of Guthrie Corporation showed that many British investors had come to realise... perhaps belatedly—that the "Malaysianisation" aims of the Government constituted more of an opportunity than a threat.

Guthrie, Sime Darby, Harrisons and Dunlop, rather than between the States of Johore, Atacca, Negri Sembilan and Selangor. The plantation company names are, literally, part of the landscape. The estates were also an obvious target because most were "companies" either on the Kuala Lumpur or London Exchanges, or both.

UK to Malaysia. Transfer of incorporation has been particularly important for companies which have not been quoted on the KL Exchange and therefore have not needed to submit to Malaysian Capital Issues Committee approval for share issues—issues aimed at enlarging non-Malaysian interests and thereby aiming to ward off a takeover.

direct purchase—as by Pernas of Sime Darby—or through share issues made to Malays, often in the course of transfer of domicile. By and large, it has not progressed very far, but once Malaysian domicile and board control have been established, share acquisitions can be made on a gradual basis.

where management control is exercised abroad and the bulk of whose assets are abroad. Transfer of domicile almost invariably assists Malaysianisation because of the capital gain accruing to British shareholders through realisation of the investment currency premium on sale, following transfer.

Non-Malay companies have also been very active buyers. Indeed, the first big group to pass from British to Malaysian ownership was carried out by leading Malaysian Chinese businessman, Lee Loy Seng, when he acquired control of Kuala Lumpur Kepong, in 1971.

the foreign managements can fight off attempts to unseat them. Harrisons was persistently harried by companies such as Genting, sniping at its minority but effectively controlling interest in plantation companies which it managed.

bid for HME. It now holds an impregnable 80 per cent. Harrisons still has to start on the path of Malaysianisation. But with Harrisons, as with Guthrie, anyone wanting to gain control of the Malaysian assets must grapple for control of the UK parent. The price is now high. Indeed, the Guthrie and Harrisons episodes suggest that gradual acquisition of stakes through the market may be a more effective Malaysianisation route than direct confrontation.

And the diminishing volume of plantation company shares remaining in private hands, at a time when estate profits are strong and the downside potential of prices, especially of rubber, look small. The drive to Malaysianisation has been accelerated by the slow growth of the private sector in Malaysia, which has reduced opportunities for Bumiputras to acquire new shares—and by the buoyant prices for commodities which have made both the Government and the private sector flush with funds.

Problems Unfortunately for the existing managements of the plantation groups, they have mostly been unable to move towards restructuring through expansion and new issues, rather than direct acquisition of existing shares.

That battle demonstrated the strength of Malaysian institutional shareholders, led by Pernas, in a situation of otherwise widely spread share ownership. It would be unfair and inaccurate now to dub Sime as a creature of Pernas and hence of the Government. But there is no question that Sime sees itself as Malaysia's standard bearer in the multinational big business world.

As the biggest producer, accounting for over 60 per cent of the world's export trade in palm oil, it is natural that Malaysia should want to develop a terminal market for the commodity.

U.S. authorities on quotas and tariffs on palm oil have brought home the need to find new markets. There is also some anxiety about oversupply in the edible oils and fats market and depressed prices, and this has been translated into fears in some quarters that the palm oil industry has expanded too rapidly.

posed that the Exchange should be a self-regulatory, private sector body, with status similar to the Kuala Lumpur Stock Exchange. Traders feel that timing will be very important to the launching of the Exchange in Kuala Lumpur. If the price of palm oil is high compared with other oils and fats at the time the Exchange is opened, it is likely to get off to a poor start, from which it would be difficult to recover.

17,000 tonnes of oil were refined locally, but today the 30 refineries turn out just over 1m tonnes of refined oil and related products, equivalent to 55 per cent of the country's total palm oil output. This growth has created a situation where millers and refiners, particularly those without their own estates, have to hunt around for fresh fruits and crude oil to feed their plants.

and millers to get their supplies or hedge their sales at prevailing market prices. Earlier this month, the Government announced it has frozen the issue of licences for palm oil refineries. Apart from the 30 refineries in operation, licences have been given to another 30 plants. These 60 refineries have a total capacity of 2.3m tonnes a year, and the Palm Oil Refiners Association (PORAM) is concerned that the supply situation might get worse, especially when plantation companies move into the refining business themselves.

However, what the Malaysians saw as general goals were often seen by the foreigners as specifics applying to each and every case. For the Malaysian Government the plantations were clearly a case for faster-than-average restructuring, for a variety of reasons. Firstly, they were the most visible sign of foreign ownership of that most sensitive of subjects—land. To British investors, names such as Guthrie and Harrisons may appear medium-sized entries in the Stock Exchange official list—profitable, but vaguely risky—far eastern "empires".

But a tourist who drove the 300 miles from Singapore to conclude that the land through which he passed was divided between the great clans, the plantation groups are identical. Group structure, ownership patterns, places of incorporation, Board attitudes—all have differed widely. For the Malaysians there have been three interlinked objectives: legal control—to move incorporation and, where appropriate, share listings from the

UK to Malaysia. Transfer of incorporation has been particularly important for companies which have not been quoted on the KL Exchange and therefore have not needed to submit to Malaysian Capital Issues Committee approval for share issues—issues aimed at enlarging non-Malaysian interests and thereby aiming to ward off a takeover.

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There is a danger of consumer countries imposing restrictions on Malaysian refined palm oil. To overcome this, and to penetrate new markets, the Malaysian authorities are thinking of building refineries overseas. One offer was made recently to China and Egypt, which currently do not buy very much palm oil, but which are potentially very large markets. The large importers of Malaysian palm oil are the EEC, the U.S., Japan, India and Pakistan.



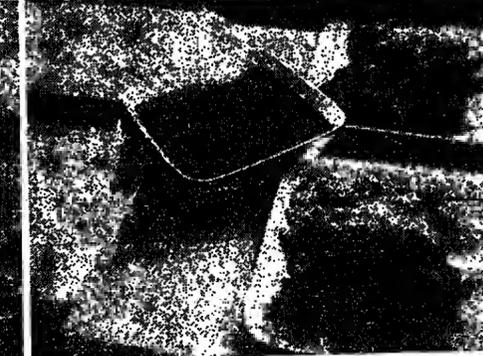
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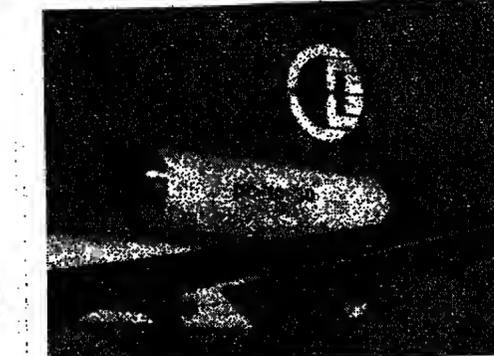
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## MALAYSIA VIII

### Tin

# Output increased

THERE ARE now growing grounds for optimism that Malaysia, the world's biggest tin producer, has finally reversed its trend of declining output.

Boored by high prices for the past three years, and by an awareness of the industry's problems by the Federal and State Governments, Malaysia miners are expanding output.

A trickle of new investments has begun flowing back into the mines and this augurs well for the industry that has been stagnant for some years because of uncertainties arising from the new economic policy and the political and bureaucratic tangles in the states.

The atmosphere is now clearer. The recent agreements between private mining companies and Kumpulan Perangsang Selangor (KPS), the mining arm of the Selangor Government, marked a significant departure from the inflexible position the state authorities had taken a year ago.

Last year, the Selangor Government dropped a bombshell on the industry when it announced new guidelines for mining companies. Mining leases of foreign companies are to be reverted to KPS on expiry and companies affected have to start discussions to allow the state agency a share in the venture.

For new mining land, KPS wants at least 70 per cent of the equity. The aim behind these moves was to assert state control over a depleting resource and to get more revenue.

Mining companies appreciate that the state governments are getting only a fraction of the tin taxes, but feel they should have talked with the Federal Treasury instead of taking a hit at the industry which is already heavily taxed.

A test case was quick to

emerge when the leases of Berjantai, the most productive company under the Malaysian Mining Corporation's stable, expired.

KPS allowed Berjantai to continue mining, subject to a final agreement, on condition it paid a 10 per cent tribute.

MNC is 71 per cent owned by the Pemas organisation, a Federal Government agency and 29 per cent by Charter Consolidated. Its operating companies produce 22 per cent of the country's tin.

During negotiations, much bad blood was shed over the question whether Berjantai should be classified as a foreign company, since it could be argued both ways that Berjantai was majority foreign or local-owned. The clash of personalities in KPS and MNC did not help.

### Compromise

The end result was compromise. Berjantai won back its leases, without paying tribute. In turn, it agreed to form a joint venture company with KPS holding 70 per cent share, to prospect 2,900 acres adjacent to the Berjantai leases. If the results confirm viable deposits, Berjantai will build a dredge and lease it out to the joint company.

In the case of Pacific Tin the leases of the American company were transferred to a joint company, which also acquired 220 acres of new mining land from KPS. The venture is split 10 per cent in favour of KPS, plus 19 per cent in tribute.

The third agreement was with Brooklands Estate, allowing KPS to acquire 4,200 acres of the estate in the Kuala Langat district which has some of the richest known tin deposits.

This agreement ties in with discussions with Charter Consolidated, to exploit the area.

The story of the Kuala Langat tin has been a long drawn-out and frustrating affair for Charter, which at one stage (during the changeover of the Selangor Government) was told that its earlier agreement to prospect and develop the area was no longer valid.

KPS has since changed its mind and an agreement with Charter to develop tin found on Brooklands should be signed soon.

The outline of the deal is for Charter to hold 30 per cent in the venture—and on a very much reduced mining area. This is a hard bargain by KPS, but considering the size of the deposits and the number of anxious bidders, Charter has to be content if it is chosen as the partner.

The area under the proposed deal covers around 5,000 acres and is believed to contain between 250,000 and 300,000 tonnes of tin. It would be able to keep three giant dredges busy for at least 20 years.

The deposits are deep—around 300 feet down—and extensive engineering tests have to be done to determine the soil stability before the parties know the best way to develop the area.

But there are compensations: the bedrock is flat which means almost all the reserves are recoverable. The land would be acquired on a piecemeal basis as and when it is required for mining. This frees a large amount of cash.

Roughly, it would cost ringgits 200m to develop the field, and it would be the biggest investment in the tin industry for years.

It is the intention of Charter, to hand over its interest in the deal to MMC "at a fair price," but serious discussions on this have not begun.

Foreign companies had hoped that the Berjantai case would

set the pattern, and solve the problem of renewal of leases, but the recent rejection of lease renewal for Ayer Hitam (another of MMC's companies) indicate that KPS views each company differently, depending on productivity and size of operations.

"We want to make the point that expired leases are not automatically renewed," says a KPS official.

There is a fear that another mining state—Perak—might follow Selangor's example, but so far it had not done so.

Perak has traditionally been under strong Federal influence and the Chief Minister there is not under so much pressure as his colleague in Selangor to prove he is tough and able to stand up against big business.

Despite a more flexible attitude by the Federal and State Governments, miners are still faced with very trying problems. Land and mining laws are extremely complicated. Renewal of leases still take a long time and new mining land hard to come by.

### Priorities

Rahim Aki, Chief Executive of MMC, feels the states should give priority to sort out the industry's land problems. Very often, a company operates on a number of leases each with a different expiry date. He feels these leases should be amalgamated and given a single expiry date.

Another way to cut red tape is to transfer administration of mining land from the land offices (notorious for its red tape) to the Mining Department.

Equally worrying are the rising fuel costs. This alone would have cost quite a large number of marginal gravel pump mines had tin prices been less buoyant.

Malaysia's tin production in 1977 was 38,700 tonnes, the lowest in 16 years. Prices, which had been on the rise since 1976, climbed higher during 1978 and averaged R1.743 per pikul, compared with R1.589 in 1977.

In response, output rose by 6.7 per cent to 62,650 tonnes, prices this year have hit the R2,000 mark, and if they hold for the rest of the year, production could reach 70,000 tonnes.

As the world's biggest exporter, Malaysia naturally opposes congressional bills to release 35,000 tonnes of tin from the U.S. stockpile. But it leaves the Bolivians the role of the vocal critic of the U.S., preferring a more moderate line of urging for orderly releases so that they would not disrupt the market.

Malaysia and Bolivia are moving closer because of tin. A Bolivian embassy was set up in Kuala Lumpur, two years ago. Earlier this month, the Bolivian Mines Minister became the first minister from his country to visit Malaysia. There are also discussions which could lead to Malaysian companies investing in mining ventures in the Latin American state.

D.H.

W.S.

## Education

# A divisive issue

EDUCATION IS the most divisive political issue in Malaysia, according to Mr. Lim Kit Siang, the leader of the Chinese-based opposition Democratic Action Party. A brief glance at the mid-term review of the third five-year plan shows why.

In 1975 Chinese students held 36 per cent of the 15,008 places in degree courses at local universities, while Malays held 57 per cent. As a result of the Government's determination to increase educational opportunities for Malays, by 1978 the Chinese proportion of places had dropped to 29 per cent of an increased enrolment in university courses of 18,064, while the Malay proportion had risen to 64 per cent. In absolute terms the numbers of Chinese at universities in Malaysia over the four years had actually dropped, though only marginally.

The Chinese community use these statistics as evidence that under the New Economic Policy the opportunities for their children to obtain higher education are diminishing. For Malays the figures are also a source of grievance in that many Malays who achieve the minimal entrance qualifications to university are still being turned away because of a shortage of places. The more militant among them want a still smaller proportion of places to go to the Chinese, although the Government has indicated that the Chinese will in fact be given a slightly larger share.

### Expansion

The statistics for enrolment in domestic universities, however, do not tell the whole story. Since 1975 the Tunku Abdul Rahman College—which offers diploma courses but also prepares students to take external degrees at foreign universities—has more than doubled in size to 1,913 places and is still expanding. About 90 per cent of the students are Chinese.

Also about two-thirds of the 17,513 Malaysian students doing degree courses abroad are Chinese, while only 22 per cent are Malay. Thus Malays feel that the Chinese have more than offset the limitations on entrance to them in domestic universities. The Chinese complain that the increasing emphasis on Bahasa Malaysia—the Malay language—as the main medium of instruction in primary and secondary education means that the standard of English taught in schools is declining, which makes it more difficult for their children to qualify for places abroad.

The Government's policy is

to limit the expansion of university places on the grounds that there are insufficient jobs for graduates—especially arts graduates—and to expand more rapidly the number of vocational and technical schools to provide for a larger number of skilled but non-professional people. Inevitably in such a race-conscious society this is again a source of friction.

Rapid growth in the number of secondary school places—enrolment jumped by 23 per cent over the last four years—means that there will be increasing pressure from both communities to get places in institutes of higher education.

At the moment the attempt to adjust the communal balance by enrolling more Malays in universities has resulted in a drop of standards in a number of institutions, especially in key faculties such as medicine and engineering. This is a price that the Government in the short run is prepared to pay. Potentially inflammatory is the danger of a double standard emerging in higher education between those taught abroad and those at home. The discrepancy is further sharpened by the increasing restrictions being placed on

university life in Malaysia, so that lecturers have to be cautious in whom they see and what they say. As against this Malaysian students abroad are exposed to the full cacophony of free speech in most western universities.

The Government hopes that education—and in particular the teaching of Bahasa Malaysia as a national language—will promote racial harmony and provide a sense of a common culture. At the moment, with domestic universities contending with the rival pressures of Islamic revivalism and Chinese nationalism, this seems a long way off.

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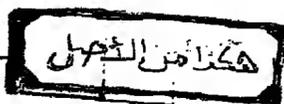
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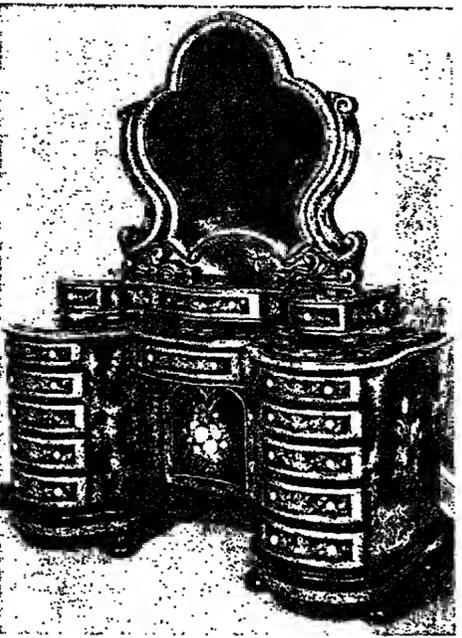


COLLECTING

English furniture

BY JUNE FIELD

In the field of taste, whether social or aesthetic, it is always much easier to point out paths which should be avoided than to indicate the road which leads to excellence. Charles L. Eastlake Hints on Household Taste 1878... THE LAST complete catalogue of a public collection of English furniture was Percy Macquoid's volume on the Lady Lever Art Gallery over 50 years ago...



Papier-mâché dressing table, c.1851, part of a highly decorative 7-piece bedroom suite illustrated in the 2-volume work Furniture at Temple Newsam House and Lotherton Hall by Christopher Gilbert, £48 until June when the price goes up to £60.

Taste, 4th ed., 1878, showing how easily a few incised patterns and turned mouldings may be substituted for the lumpy carving and 'shaped' legs usually found in small furniture... Walston of Newton Hall, Camb., from where it was withdrawn at a Knight Frank and Rutley sale and bought in 1970...

CHESS

LEONARD BARDEN

SPECTATOR APPEAL is more likely when strong and well-known grandmasters meet local masters with a reputation to make; the GMs may take risks in going for the full point and this gives the home players chances for upsets... The grandmasters of course win most of these games, and one of their trusted approaches is to play a slightly unusual opening aiming at a small space or development advantage...

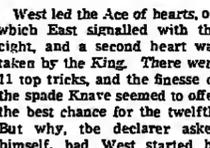
BRIDGE

E. P. C. COTTER

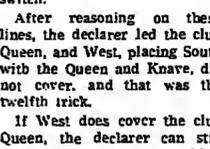
IN her new book, Bridge Around the World (Bodley Head £4.95), Rita Markus gives us a month-by-month guide to the International Bridge Circuit, and I have no doubt that some of you may feel the urge to enter a tournament in one of the faraway places she describes... West led the Ace of hearts, on which East signalled with the eight, and a second heart was taken by the King...

With neither side vulnerable, South dealt and bid one club, North forced with two diamonds, and South rebid two no trumps, which North raised to six no trumps.

Denmark from 1965 to 1978. It was psychologically important for Larsen in last year's North Sea Cup to prove that he was still better than the home-based Danish players, and his winning margin was a full two points... The second game is a similar case of an unusual opening leading to centre control and then to a winning attack; it helped Michael Stean to sixth place in a strong GM tournament... With the notes are based on Stean's own comments. Position No. 263: Readers P. Frampton (Potters Bar) and K. B. McAlpine (Glasgow) point out that Korchnoi could, after all, have won more quickly against Ljubetich by 1... NXP since the planned defence 2 BxN, P-B7; 3 KN2 (Q) dh ch! 4 KxQ, Q-B4 ch forcing mate in 4 Kv.



WHITE (1 move) Cordes Gebert, West Germany 1978. In double-edged positions, one inaccuracy can swing the game. Black (10 move) continued 1... Q-Q6; 2 R-R2, BxP. Why was this a mistake, and can you find a better choice in the diagram?



PROBLEM No. 265 BLACK (3 moves) White mates in two moves, against any defence (by G. B. Spencer). White has a whole barrage of discovered checks and captures, but the key move forcing mate is well hidden. Solutions Page 16.



White mates in two moves, against any defence (by G. B. Spencer). White has a whole barrage of discovered checks and captures, but the key move forcing mate is well hidden. Solutions Page 16.

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# FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF  
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Saturday April 28 1979

## The glamour fades a bit

SINCE THE vote of confidence which brought Mr. Callaghan's three years to an end — and more pertinently, Labour's four and a half years — the markets have witnessed a full-scale celebration by the Investor's Liberation Front. The last week, however, has seen not so much a hangover as a return of sobriety. Both investors and voters have started to do their sums, helped by some tendentious tuition from Labour leaders, and come to realise that they should have paid closer attention to the phrase in the Conservative manifesto which emphasises that miracles are not to be expected from a new government. There will be no overnight revolution in our affairs.

### Inconclusive

One result has been that although the Conservatives still have a very comfortable lead in the polls, it is a shrinking lead. A lacklustre campaign has offered little to divert attention from this slow drift of opinion, and observers tend to remind each other that in two of the last three General Elections, the swing of opinion generated during the campaign has swamped the balance seen before it started. Some older heads are also remembering that, as Mr. Gaiskill proved in 1959, it can be extremely dangerous to leave your opponents with a monopoly of the arithmetic.

None of this means that Labour is likely to overcome an adverse margin of five to seven per cent in the coming days of the campaign. On the other hand there is little evidence of the great surge of popular will for economic liberation which would have assisted a radical programme, and the possibility of another inconclusive result has come back into the reckoning.

While the election is naturally foremost in the thoughts of British investors, it is by no means the only important influence on our economic future. The sharp reaction in sterling, which was the most startling economic event of the week, was a reminder that we are a small, open economy in a world which has many problems of its own. Despite four years of sometimes fitful effort, fighting inflation remains the main priority for economic policy nearly everywhere, especially since the sharp rise in oil prices in April and the threat of a further rise.

The oil price itself has favoured sterling; but the reaction to it — a tightening of monetary policy nearly everywhere — has subsequently re-

duced the attraction of sterling interest rates. The exchange market was bound to peak before long, and duly did so. As in the polls, the underlying change remains; values have shifted so that today's lows are yesterday's unattainable highs. We have been reminded, though, that shifts can be reversed.

### Forbidding

Sobriety is in truth a much more reasonable reaction to our prospects than euphoria, as we have been saying rather dolefully for some weeks. The one great improvement in our affairs, in the opinion of most City commentators, is that domestic inflation is not after all likely to take off into the blue yonder sea: the most recent trends for money, credit, savings and the terms of trade suggest that though inflation will no doubt touch 10 per cent again, it will gently subside thereafter. Those who like to brood on league tables can now take some perverse comfort from the more forbidding figures which have recently appeared in the U.S., for example.

On the other hand, the situation in the outside world certainly does not favour the prospects for growth — markets on which both nations — have hankered rather weakly, the Conservatives to finance needless tax cuts, Labour to pay for yet more public spending. These plans may have to be deferred.

### Protectionism

In round numbers, the most recent forecasts suggest that the April price rise in oil, which will transfer some \$25bn to the OPEC countries, and the deflationary policy response to this change in immobile countries, will reduce prospective growth in the developed countries by a full percentage point. The fall in world trade may be rather greater — for instance, it may be 10 per cent — but the oil shock was forecast at 4 per cent or less.

There is also a renewed danger that protectionist pressures, reflected in the confrontation between the EEC and Japan, will not so easily be contained as they were in the easy deficit financing conditions which ruled after 1974. The strong competitive pressures already implied by a strong pound would be redoubled in a depressed world market.

A freer home market and a reduced public sector would certainly help in confronting such a challenge; but nothing will make it easy.

## Letters to the Editor

### Savings

From Mr. M. Greener  
Sir,—The Labour Party wishes to add a wealth tax to the present burden we are asked to bear. The Conservative Party does not. Neither party, however, offers to remove the effective wealth tax that already exists.

Many of us wish to save rather than spend on inessential. In so doing we might be contributing toward economic recovery. Why then does no politician offer to remove the disincentives?

Anyone with £100 in May, 1968, could have saved it. Had he been the gambling type then he might have tried his luck with the Premium Bond fruit machine. Assuming, as is more than probable, luck passed him by then in May, 1978, he would receive back no more than the £100 he put in. In 1978 the equivalent sum in real terms would have been £300. He has paid a wealth tax of 66 per cent, or 6.6 per cent per annum.

Had he been, on the other hand, a cautious and responsible man he might have taken the oft-given advice to put his £100 in the safe bands of a reputable building society. Assuming interest of 8 per cent after tax, he could have accumulated £216 by May, 1978. His wisdom has earned him not a profit but a reduction in capital of £84 — this being the effective wealth tax he has been made to suffer.

May I point out to both the major political parties that there is little point in arguing about a tax on wealth that we are not allowed to earn. Most of us would even be prepared to forgo interest on our savings if only some guarantee could be given that, when we come to withdraw them, we will receive at least as much as we put in.

### Insurance

From Dutton and Brasier  
Sir,—We feel that the information given in Mr. Short's

article (April 21) leaves a rather false impression of the benefits of taking a large excess on a comprehensive insurance policy. The example he gives, that of general accident, can be illustrated quite easily.

For a claim with a 60 per cent no claim bonus, the actual financial saving in taking a £50 excess, would be £5 and not £12.50 as indicated. We can best illustrate this by giving you two quotations:—

Gross premium	£200
Less voluntary excess	£25
	£175
Less 60% no claim bonus	£105
Net premium	£70
Example 2 (as per article)	
Gross premium	£200
Less voluntary excess	£25
	£175
No claim bonus	Nil
Net premium	£175

Therefore, the information in the article is only true to the extent of covering those who have no no claim bonus discount, and who do not qualify for an introductory discount. We feel most strongly that in particular with regards to the sixth paragraph which referred to the four year period free of accidents, the information contained therein was substantially incorrect.

Having criticised so heavily, we must say that we found the residue of the article concerning "franchising" most interesting. P. C. Ribbas, Neasden Corner, 323, Neasden Lane, Neasden, NW10.

### Minerals

From Mr. J. Brooke  
Sir,—Sir John Lomax (April 18) is to be congratulated for stating so succinctly what is needed to encourage development of the mineral resources of this country. The decline in prosperity in the home metal mining industry can be traced back to the days of the first

world war, when massive Government intervention successfully prevented it from prospering and developing as it should have done. As a long-standing member of the Cornish Mining Development Association and as an associate of the Cornish Chamber of Mines, both of which place the encouragement of mining at the head of their list of functions, I can say that I view with horror the officially well-developed negative attitude to mining.

While politicians of most parties mouth ill-informed platitudes about mining, it is Whitehall which calls the tune. The time is now ripe, Sir, for Parliament to reassert its authority over the civil service. Ministers responsible should over-ride the standard civil service arguments for not providing a fiscal framework within which the industry can flourish.

These arguments range from claims of "unfairness" to "cost can't do anything for mining because if we did every other industry would insist on being helped. In the light of aid given to industries producing motor-cars, machine tools, textiles and ships, these arguments appear somewhat hollow.

Justin Brooke, Chymnrah Veon, Marazion, Cornwall.

### Moderates

From Mr. B. Jamieson  
Sir,—I was disappointed to read (April 23) that the members of the National Westminster Staff Association are "strongly opposed" to TUC membership. As a member of one of the other bank staff associations and also the Banking Insurance and Finance Union it is worrying to see a large moderate body of opinion apparently swayed by the ideas attached to affiliation to the TUC.

The TUC is made up of a great many unions, the vast majority of at least reasonably moderate views although often of small membership and usually silent. At the time of the Industrial Relations Act, the National Union of Bank Employees, as it then was, registered under the Act (as did the Cornish Mining Association and was consequently expelled from the TUC for a time. It is only by moderates becoming more militant if this is not a contradiction in terms, that trades unionism in this country will not only become saner but will be seen to be more responsible by the public, many of whom have no Union to support their interests.

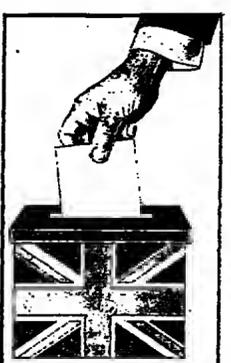
## POLITICS TODAY

# Leadership wanted, but leaders found wanting

THE ESSENTIAL question reduced to one essential: do the British people really want change and, if so, dare they risk it?

There is also a much deeper, though related, problem. The people appear to want to be led, but they have grown to distrust their leaders. There is no other way in which one can explain what has been happening during the campaign. This campaign is frequently said to be accurate to describe it as serious and quiet. People do listen. They do seem to know the differences between the parties. They sit through even the duller speeches almost as if they were sermons. It is obvious that they want someone to look up to.

They also ask questions, though it is striking how many of them are confined to that phrase comes from Mr. Barry Goldwater's Republican campaign for the presidency of the U.S. in 1964, but there is no reason to believe that it would be rejected by Mrs. Margaret Thatcher today. There are times when the Conservative leader seems deliberately to pick up Mr. Goldwater's language. One of his best-remembered slogans was: "In your heart you know he's right." Appealing to traditional Labour supporters to "cross the Rubicon" and vote Tory, Mrs. Thatcher said in her speech in Cardiff on April 16: "You know in your hearts that Britain must take a different road."



Yet, as pollsters day after day approaches, it is clear that it is precisely that question of the electorate, or at least that uncommitted or wavering part of it which will decide the election result. It is clear from the way the Tory lead in the opinion polls has begun to narrow to the point where, if it goes down much further, an overall Tory majority would be in doubt. It is also clear from the way traditional Labour voters will approach a Tory candidate in the streets, confess their unhappiness with the Labour Government, but add how difficult it is to change a lifetime's allegiance.

That in turn leads to the question of credibility. Which of the two parties is more likely to be able to put its programme into effect if it wins the election? Both manifestos require an act of faith. Mr. Callaghan's promises are based on the assumption of an annual economic growth rate of 3 per cent or more, sustained over a five-year period. There is also a quite specific pledge to reduce the rate of inflation to 5 per cent in 1982. One does not have to be an economist to realise that neither the growth rate nor the inflation target exactly square with Labour's record in office.

Mr. Callaghan is also calling for another suspension of disbelief. In fighting in defence of existing policies or of what he called on television this week a programme of "change that is planned," he is asking the electorate to accept that existing policies work. Even where they do not—as in the

failure to reach an agreement with the unions last summer and the industrial discontent this winter—he is saying that it is all part of the learning experience. Next time a Labour Government and the trades unions will do better.

The instinctive reaction is to look at the record, or simply to remember the past, and to say that Mr. Callaghan is wrong; hence the enormous Tory lead in the opinion polls before the campaign began. The events of the winter are a standing contradiction of the view that Labour's co-operation with the unions works to the benefit of the country as a whole.

In the campaign itself, however, the ground has shifted. The electorate is being asked not just to make a judgment on Labour's record, but to say whether it would still prefer a Labour Government, warts and all, to the radical reforms offered by Mrs. Thatcher. That is a much harder question to answer. In other words, it is one thing to express no confidence in Mr. Callaghan, but it is quite another to vote against him if the consequence is to bring in Mrs. Thatcher's Tories. It is to the Conservative leader's personal credit that she has scarcely tried to soften her approach as the campaign has gone on. At times there is a kind of mysticism in her as she attempts to describe Britain as she would wish it to be. "But stop and listen a moment," she said in Cardiff. "Listen to the voice deep inside a great and ancient nation. First, there was a murmur, then a cry, now there is a great shout of anger and determination that we will be free, that we will be strong again, that we too can prosper, so long as we have a Government which serves and does not seek to master."

One may doubt whether this has much of an effect, except on the converted, and one's own impression is tempered by the suspicion that it is a far from accurate observation. The cry of pain or even the whimper of demoralisation are familiar enough, but one has yet to hear the great shout of anger. Yet one can never be sure. Certainly she is right if she thinks the country wants to be led. It may not want to be led by Mrs. Thatcher.

To move from the mystical to the mundane, here too the Conservative leader has held her ground. Mrs. Thatcher has faced head on the charge that the Tory figures for cuts in direct taxation and cuts in public expenditure do not add up, as indeed they do not. Interviewed on the TV EYE programme early this week she defended herself by saying that the economy is not a fixed sum. If you cut taxes, you will encourage people to earn more, some of which will be recouped in revenue.

That is a perfectly reasonable position to take, but again

there is the question of credibility. How quickly would the process work? How much room is there for spending cuts without impairing the public services, especially when the Tories have promised to increase spending on defence and on law and order while maintaining the resources devoted to the National Health Service, and have come very close to making the same promise on education? Not least, what is this distinction which the Tories keep making between real and artificial jobs? One doubts if it is immediately clear to (say) the steel workers or the shipbuilders who might be involved.

## Committed in advance

These questions are by no means hypothetical. Some of those who might be expected to work on the first Tory budget, if there is one, are acutely aware of the size of the task. They also know how much of public expenditure has been committed in advance. The room for cuts in 1979-80 is small.

A Tory Budget in June would thus almost certainly be a skeletal one. There would be some direct tax cuts so that the money would be in people's pockets before the next pay round begins in September. There would be some compensating increase of indirect taxation. There would be some public expenditure reductions and a declaration of intent on the public sector borrowing requirement. But for the first time the Tories would be playing for time in order to take stock of the situation.

They are aware that the size of pay settlements in the public sector is an unknown factor because of the current exercises in comparability. They are also all too conscious that they have failed to get across their message that income tax should be counted as part of the cost of living. The rise of retail prices brought about by the increase of VAT and excise duties would therefore create immediate problems of political unpopularity. This unpopularity could be a crucial factor if the Tory majority were small and another election not far away.

At best, the Tories might hope, having looked at the books as they say, to be able to introduce a second budget in the autumn. But on the present view that is far from being a certainty. The real change of direction, as distinct from the declaration of intent and initial tax cuts, would have to wait until 1980.

It is sometimes said that the Tories are being disabused in presenting their policies in this way without being specific about the figures. In fact, the opposite is true. They are being as honest as they can on the basis of available information and given the present state of the economy. There is a determination, which has held throughout the campaign, not to make



April 1959: Zec of the Daily Herald pears scorn on Mr. Harold Macmillan's celebrated "you've never had it so good." But Mr. Macmillan won the election. This year it is the Tories who say the country is poorly off. The boat is on the other foot. But whose foot will it be?

specific promises which may turn out to be incapable of fulfilment. But again it comes back to the old question: do people believe that the Tory policies of creating incentives in order to encourage growth will work? Once more, an act of faith is required.

What it comes down to then for the wavering voter is a choice between the devil he knows and the devil he doesn't. It is a real choice still, but it is a choice between devils rather than between devils and angels. My own impression is that much of the electorate the economic arguments per se do not matter very much. A large number of wavering would be prepared to go either way with Mr. Callaghan's brand of socialism or Mrs. Thatcher's brand of capitalism, if only they believed in the leadership. The fact is that neither leader appears capable of carrying the country as a whole.

It remains that one could very well be wrong. Mr. Goldwater's campaign, which Mrs. Thatcher seems to echo, turned out to be a disaster. Afterwards, however, Goldwaterism became respectable and Mr. Goldwater was judged merely to have been ahead of his time. It could be

that Mrs. Thatcher has got the timing right. If so, that would be almost entirely due to her own personal judgment. It would be a quite remarkable achievement.

Looking for British analogies if there are any, the nearest is 1951. The Tories won in the end, but only just. Mr. Attlee, the outgoing Labour Prime Minister, fought an exceptionally strong rearguard campaign in defence of Labour policies and Labour values. In the course of it he showed how hard it is to win a radical opposition party to persuade voters to change — their traditional allegiance when it comes to a general election.

Yet perhaps the fact that matters most is that the number of voters needed to change is actually quite small. There appears to be no evidence in this election of Tories switching to Labour. There is a good deal of evidence of Labour voters either wavering or even switching. It is on the strength of this wavering, some of which may lead to abstentions, that one would still expect Mrs. Thatcher to win, though with a majority less than overwhelming.

Malcolm Ruthierford

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# An uneasy peace breaks out in cricket

BY JAMES FORTH IN SYDNEY



Kerry Packer: sices an and off the field.

## Not quite the game . . . but there's no arguing with the money

WHEN Kerry Packer secretly signed up a high percentage of the finest players in the world, including the captains of England, Australia, Pakistan and the West Indies, the cricketing authorities were caught as unprepared as the Americans at Pearl Harbour and his attack was bitterly resented. It simply was not cricket.

Their resentment stemmed not only from the fact that his action had a very adverse effect on Test cricket and tours because it reduced the overall standard of the international game—as well as their own power; it also destroyed some cricket illusions.

It had been taken for granted that the honour of representing one's country in a Test was more than enough by itself. Until Packer arrived

and to pick the cream of cricketing talent.

The original idea was conceived not by Packer, but by a man named John Cornell, who packaged television shows by a Paul Hogan. Cornell proposed signing up a few top cricketers for a series of privately-arranged one-day matches for television. Packer, fresh from his rebuff by the ACB, seized upon and expanded the concept. Cornell and Packer then began a secret recruiting campaign, which secured under contract 22 leading Australian Test cricketers and many leading West Indian and English Test cricketers, including England's then captain, Tony Greig.

There are two main reasons why Packer was able to get WSC off the ground. One was that players had increasingly come to feel that officials—both in the ACB and in the London-based International Cricket Conference—had become out of touch with

the realities of modern sport; that they ruled the game by divine right and that the cricketers themselves were expendable.

The other was money. At the time of WSC's launch, a member of the Australian Test cricket team was earning about \$512,000 per year. WSC has changed all that for many of the top cricketers who went with Packer. Exactly how much they earn is a secret guarded closely by both the players and the WSC camp, but it is undoubtedly more than if they had not succeeded.

The mass defection has also boosted the pay packets of the current crop of test cricketers, but what will happen if the WSC players are again available for Test selection just one of the matters which remain to be cleared up in the current negotiations.

According to a former public relations man for WSC, Christopher Forsyth, in a book about

passed—aided by the poor showing of the emasculated Australian Test team and its thrashing at the hands of England. The Packer camp was confident that WSC was not far from earnings profits and it appears that the ACB may have reached a similar conclusion.

In the 1978 accounts of Packer's Consolidated Press Group, the only reference to WSC said "in last year's report we referred to our promotion of World Series Cricket and shareholders would be aware of the controversy that has surrounded this venture. This year's summer season created a massive public awareness of our activities and in the coming season we are confident of a high degree of public support. Advertiser interest in the matches has increased markedly and we assert with confidence that in this season the costs of staging the cricket will be reduced and the revenue will be increased."

These forecasts proved accurate. While the WSC Supporters failed to capture public interest, spectators turned up in droves for the one-day "international" matches. The introduction of night cricket, played on the Sydney cricket ground under spotlights especially installed for the event, was an immediate success and attracted a crowd of about 50,000 spectators for the opening match.

This compares with a miserable attendance of about 3,000 at the first Test in Melbourne in 1977 which brought in \$87,800 gross. TV sponsorship in the initial year also fell well short of the original estimates.

There have been one or two "guesstimates" of the losses run up by Packer. Forsyth asserted in his book that the gross loss in the first year was \$5.8m.

As the latest cricket season progressed it became increasingly apparent to all, including the ACBs and, presumably, the ICC, that WSC was fact becoming a permanent fixture.

## Weekend Brief

### Loco chips

After this autumn model railway systems will never again be quite the same. The micro-electronic revolution is about to make thousands of model train enthusiasts—young and not so young—change the way they think about their hobby. And in the process, they will also discover what a far-reaching impact micro-chips are going to have far beyond the tiny world of model railways.

Hornby Hobbies, part of the Dunelm Group, have spent the past two years developing a wholly new way of controlling an electric train layout. The mini-computer that runs the system is on its own about as powerful as the first computer invented soon after the war. But unlike this computer, which occupied a large room, the control box is about the same size as a medium-size box of chocolates.

The Hornby system will eventually sweep away the small forest of wires that are at the moment an indispensable part of any train set. In their place will be a mere two wires connecting the controller to the track.

Down these wires will pass all the information from the controller, information which can be typed-in on a panel which closely resembles the keyboard on a pocket calculator. Engines, points, signals, lights will each have their own code and eventually the whole layout can be run from this one control panel. By contrast, at the moment, each set of points, or each signal, is controlled by a separate lever.

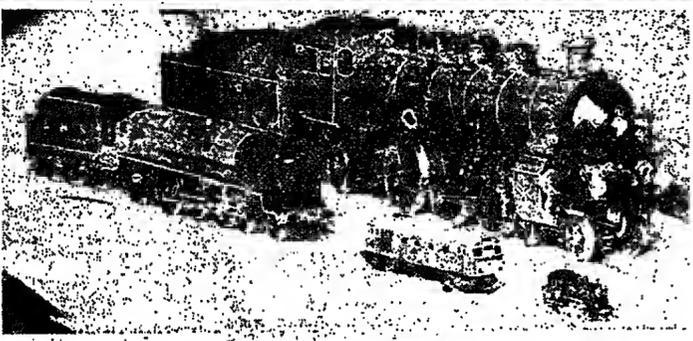
In the first phase of the new system—which is due to be in the shops in the autumn—Hornby are concentrating on the engines. The controller can run up to 16 engines at one time unlike most existing control panels which run only one.

The secret is that each engine has its own micro-chip which responds only to the code transmitted electronically from the controller. Each of these tiny chips which measure about one inch by 1/4 by 5/16ths contains the equivalent of 8,000 transistors. They can be installed very simply on almost any engine now made and, once coded, give the engine a tiny mind all its own.

The chips mean that the engines no longer respond merely to electricity in the track. Now they are, as it were, capable of independent action. The computer in the controller allows them to be set at a certain speed or to start slowly and gradually gain momentum.

Once, for example, four engines are running at preset speeds, the operator can then run a fifth engine as he wishes. Extra "slave" controllers attached to the master controller increase this capacity still further. But the company has thoughtfully provided a panic button so that when all this gets out of hand the owner only has to press it and everything stops.

This new system will not mean that enthusiasts have to throw away their existing trains and start again. Almost all existing engines can be easily adapted to take the chips and the system works with almost



Model railways: could the chips spoil the fun?

every type of model railway made in the world.

The cost is about £35 for the controller and £5 per engine chip; once the decision is made to "go microelectronic" all the engines have to be converted at once since the new system works on a slightly higher voltage provided by the controller which also acts as a transformer.

Next year Hornby will introduce phase two of its system which will allow control of points and signals. They will also, each have their own code and will be operated from the same controller.

strong insecticides that 20-year old oaks perished. Restaurants and kiosks under construction were left without electrical light and drainage. Cars on trial runs sank in on fields which had earlier been flattened to make parking lots.

But despite the financial difficulties the spectator will be treated to an impressive festival of flowers and blossoms. The lovely Japanese garden, a contribution to the show from the Japanese Embassy, which sparsely flew out trees from Tokyo, is particularly attractive. Holland is demonstrating that it is the country of the tulips. Replicas of Roman funeral stones from the border of the so-called Roman road, and everywhere there are gardeners' competitions for the most exotic and the most beautiful creations of horticulture and garden design.

took up most public attention. The 5m Bolivians have a choice of 59 parties and 10 candidates in the forthcoming poll. Until Wednesday, there were 11, but then General Rogelio Miranda, until recently Ambassador in London, withdrew his candidacy. He was president for four hours. Between military coups some years ago. Perhaps he knows something about the presidency and lamp-posts the remaining candidates don't know.

### Bon

Bonn, the often maligned federal German capital, is being accused by many of being "three times as big as Chicago cemetery and four times as quiet," has gained a new attraction.

After the opening of the greatest West German garden show ever by the Federal President, Herr Walter Scheel, yesterday, Bonn is expecting a stream of visitors. Already more than 90,000 tickets have been sold—and the show will run till October.

The local authorities have been working feverishly to get the city ready for the onslaught. Last week, virtually at the last moment, a huge underground station which cost the staggering sum of DM 100m—designed to be the core of the town's public transport system—was finished. From there trains are being laid on to the main entrance of the garden show. A campaign was launched to "make Bonn the greenest town in the country." The city fathers appealed to "Bonners" to plant flowers in their gardens, on their balconies and terraces.

At one point it looked as if Bonn had overreached itself with this "abov of superlatives." The local authorities had undertaken to set up the show on 250 acres of ground which corresponds to the combined size of the two preceding garden shows at Mannheim and Stuttgart. The show grounds are a 400 acres big green belt along both sides of the Rhine linking Bonn and Bad Godesberg on the left side and the suburbs of Beuel and Koenigswinter on the right.

Apart from DM 130m for the infrastructure of the park, costs for the garden show were estimated originally at around DM 23m. Then a series of mishaps occurred. In the hot summer of 1977 the freshly laid out turf dried up. 150 of 5,000 newly planted trees died, because they were planted on rubble instead of on soil. Gardeners dosed trees with such

### Life at the top

"If you'll excuse the pun, this is a conference at the highest level," said Ambassador Leslie Wilson of Jamaica. Some of the delegates at the 18th conference of the United Nations Economic Commission for Latin America (ECLA) milled a little wryly for at 12,000 feet at the hotel in La Paz in Bolivia, many of them were feeling the effects of the altitude more than somewhat. The hotel's eight oxygen cylinders and twenty oxygen bottles were in demand, as some of the older delegates and those who had eaten or drunk too well gasped for breath.

The Bolivian Government was delighted to play host to La Paz's first major international conference, and to have the opportunity to air its case for the return of its specific coast territories which Chile conquered 100 years ago last year, making the Bolivians landlocked. The Government lent the National Museum of Art to the UN for a reception on Monday, and those who were up to it spent an unforgettable two hours in the newly restored colonial palace, listening to a chamber orchestra playing Mozart by the alabaster fountain in the patio, and viewing the madonna, angels and saints painted by the artists of the Spanish colonial school. The Museum, a former Spanish Governor's home, built on the steep and breathtaking main street of the city, overlooks the principal square, where stands the lamp-post on which a former President was banged in 1946.

Despite the big local Press coverage of the ECLA conference, it was the current presidential elections which

### What a laugh

It sounds like everyone's idea of the perfect job—making money laughing. Two young New York ladies with infectious giggles have just formed themselves into a company called The Laugh Business, and are offering their services to Broadway producers who feel their show needs a lift.

For \$100 on opening night, or \$50 a night thereafter they will sit in the audience and titter or cackle to all the right places and pull the audience along with them. That, at least, is the idea.

"But it is not just to make the audience laugh," say Martha Pomroy, 36, and Martha Sulson, 26, "the actors relax and perform better when they hear the audience laughing."

The two Marthas got the idea when they found how easily they could reduce their friends to helpless laughter. "We created such mayhem laughing," they said "that people said it was too bad we can't bottle it." Gales of hysterical laughter filled the air as they gave an impromptu demonstration of their skills.

Behind the hilarity, though, the Marthas' approach is quite scientific. If the producer wants to bring out certain parts of his show they go through the script with him beforehand to find out where to laugh and what kind of laugh to give. But if he wants a spontaneous response, they'll go along "cold."

"We're really performers as well," they say. "We're an intelligent creak. We try to read the audience. We'll start with chuckles and then work our way up."

In one experiment, they managed to stir up laughter in an audience that was reacting in shocked silence to a sado-masochistic song. But they admit "If the show's plain bad, there's nothing we can do."

### Contributors

- David Bell
- Elgin Schroeder
- Hugh O'Shaughnessy
- David Lascelles

## Yachting centre for Weymouth

A NEW national yacht racing centre, costing £1m, is to be built at Weymouth, Dorset. If the Olympic Games are staged in London in 1988, the sailing events may be held at the resort.

The centre will have room for 420 sports and will be funded by Sports Council and local authority grants.

The Royal Yachting Association is launching an appeal to pay for the rest.

RYA secretary-general Mr. John Durie said: "The centre will be an ideal setting for the Olympics."

## Economic Diary

TODAY—Election speeches by Mrs. Margaret Thatcher, Conservative Party Leader, and Mr. David Steel, Liberal Party Leader, in constituency. Prime Minister addresses meeting in Edinburgh and Newcastle.

SUNDAY—Mr. Denis Healey, Chancellor of the Exchequer, addresses Union of Shop Distributive and Allied Workers conference, Congress Theatre, Eastbourne. Mrs. Margaret Thatcher attends Conservative Trade Unionists rally Wembley Conference Centre, London.

MONDAY—UK official reserves (April) and Capital issues redemptions (during April). Prime Minister is guest on Jimmy Young programme, BBC

Radio 2, World in Action election special interviews with party leaders and 500 electors (ITV). Mr. William Whitelaw to Robt. Day election phone-in. BBC Radio 4, Amalgamated Union of Engineering Workers annual conference, Winter Gardens, Eastbourne. City of London parking meter charges increase by 50 per cent from 20p to 30p a Day. Prince Charles opens the Jubilee Line, the latest addition to the London Underground (in operation for the public from May 1).

TUESDAY—Prime Minister on Robin Day election call, BBC Radio 4. Mr. Eric Jenkins, general secretary, Association of Scientific, Technical and Managerial Staffs, speaks on Union Strategy, Royal Lancaster Hotel, London.

WEDNESDAY—Mrs. Margaret Thatcher at Conservative Party rally, Woodhouse School, Woodhouse Road, Barnet. London Chamber of Commerce discussion on the problems of "over-valued sterling" on UK exports, 88, Cannon Street, ECA.

THURSDAY—General Election polling day. Publication of Energy Trends. Two-day Financial Times Euro-Japanese Symposium—Trade, Finance and Politics in the 1980s opens at the Hyatt Regency Hotel, Rue de la Ville, Brussels.

FRIDAY—General Election results. Welsh Trades Union Congress annual conference, De Valence Pavilion, Tenby.

## TARGET GILT FUND

**This could be an ideal moment to invest in Britain's first gilt-edged unit trust.**

**Major advantages to the private investor.**

Investing in gilts calls for professional expertise, a willingness to pursue an active investment policy and an ability to deal in large volume.

These essential requirements are now available to the private investor through the Target Gilt Fund.

Launched two years ago, this was the first authorised gilt-edged unit trust. It already has a proven record of success. The offer price has increased by 40% outperforming the FT Actuaries Government Securities All-stocks Index by 20%, ignoring accumulated interest.

**Auspicious prospects.**

At the present time, the prospects for capital gains in gilts look particularly auspicious.

General interest rates are already at a very high level, and if these should fall, the prices of gilts will rise.

**Experienced investment advisers.**

King & Shaxson Fund Managers Ltd. is a subsidiary of the London Discount House, King & Shaxson Ltd., who has been investing in the money markets for over 100 years.

**Active investment policy.**

With their experience they seek to maximise the capital return on the funds invested and are prepared to pursue an active investment policy in order to achieve this aim. Furthermore, the investment advisers will be prepared to hold part or all of the assets of the

*Since it was launched in December 1976 Target Gilt Fund has out-performed the FT Actuaries Government Securities All-stocks Index by 20%.*

Fund in cash on deposit from time to time when, in their opinion, this is the best course of action.

**A proven policy.**

By laying emphasis on capital performance rather than income, the adverse effect of the charge to corporation tax\* on the income accruing to the Fund will be minimised. The success of this policy is illustrated by the Fund's proven record.

The net income from the units will not be distributed but reinvested in the Fund so adding to the value of the units. The number of units will not change. The current estimated gross annual yield is 2.300 per cent.

Remember the price of units and the income from them can go down as well as up.

You should regard your investment as long term.

**An offer to existing gilt holders.**

If you already hold Government Securities individually valued at £250 or more, you can exchange them for units in the Target Gilt Fund on advantageous terms.

For details send a list of your holdings to: Target Trust Managers Limited, Garrard House, 31, Gresham Street, London EC2V 7DT. Tel: (01) 7533.

**Offer of units at 142.3 p each until 4th May 1979**

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Registered in England No. 1845848 at Target House, 31, Gresham Street, London, E.C.2.

1. The offer price of units will be 142.3 p each and will be available to the public from 14th May 1979 until 4th May 1979.  
2. The offer price of units will be 142.3 p each and will be available to the public from 14th May 1979 until 4th May 1979.  
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Tarmac surprises with 42% second half jump

CONTRARY TO the warning at midway that second half profits could only be maintained...

After all charges the group profit balance attributable to Tarmac came out at £14.1m against £11.9m...

York Trailer going flat out after first quarter setback

THE LOSSES at York Trailer Holdings in the final quarter of 1978 have continued into the first three months of the current year...

Container production is stimulated by a further Russian contract for 20m in 1979...

Sales in the first quarter were lower at £8.55m (£9.02m)...

Results due next week

The recession in the shipping industry will be reflected in the full-year results of Peninsular & Oriental Steam Navigation Company and Furness Withy...

TOWRY LAW

The largest proportion of new business won by Towry Law, insurance broker and financial adviser...

comment

The loss at York Trailer was to be expected after disastrous first quarter operating conditions...

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Tricentrol in £17m rights after oil cash hold-up

Tricentrol, the British-controlled international oil, gas and exploration group, is making a £16.9m rights issue.

The group is offering one ordinary share at 175p for every four held. Shareholders have been promised total gross dividends for 1979 of 9p per share...

Whatman Reeve downturn

The rise in sterling's value hit Whatman Reeve Angel, the laboratory supplies group, in 1978. Taxable profits fell from £1.35m to £0.1m...

The directors say that the fall was due to a reduction in profit margins which was partly the result of exchange rate movements and partly the impact of the steep increase in fixed expenses...

Lockwoods well down at midway

LOCKWOODS well down at midway in the first half of 1978. The company's profit before tax fell from £1.3m to £0.8m...

Hestair slumps to £0.34m loss and fails to meet dividend forecast

Hestair slumped from a £1.6m taxable profit to a £341,000 loss in the year to January 31, 1978. The group which had fallen from £1.8m to £423,000 at midway had forecast a second-half recovery...

The company has since closed down operations to bring profits into the black. The directors say there was a confident it can make satisfactory profits and pay progressive dividends.

Cradley up to £128,696

Profits of Cradley Printing Company rose from £90,378 to £128,696 in the half-year to December 31, 1978, before tax of £63,250, against £43,700. Sales were ahead at £255,299 compared with £666,850.

In the last full-year, the taxable surplus was up from £186,100 to £185,942. The directors say the considerable investment in new plant over the past two years is now making its impact on trading figures.

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The end of the Government's pay code will probably have some effect on percentage profitability in the second half. However, the directors expect full year results to reflect the much reduced workload.

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strengthened Tricentrol's financial position and allow further investment in oil and gas projects. A breakdown of the trading results with reported figures for 1978 in brackets, show profits from Tricentrol Oil Corporation (United Kingdom) £3,047m (£17,000); Tricentrol Oil (North America) £77,000 (£288,000); Tricentrol Industrial Corporation (U.K. and Continental Europe) £300,000 loss (£28,000 loss) and other activities £4,000 (£39,000 loss).

On North America the company says exploration in Western Canada remains extremely active and competitive. There is still no agreement by the Federal Government to allow additional exports, so considerable reserves remain non-productive.

An EGM on May 18 will consider an employee share participation scheme and a resolution to increase the authorised share capital from £15m to £20m. See Lex.

Winn Inds. boost in second half

A GOOD second half lifted the taxable profits of Winn Industries from £1.3m to £1.7m in 1978 or turnover up from £10.23m to £20.75m.

At its halfway the group, whose interests include engineering, building, and freight container services, lifted the surplus from £24,000 to £64,000. The Board then said that the first half was one of consolidation, and it looked to the future with high hopes.

The chairman now says the company has a solid foundation on which to build. The majority of the subsidiaries are performing well.

The taxable profit was struck after interest down from £216,000 to £177,000 and associated profits this time of £43,000.

Extraordinary debits are up from £45,000 to £111,000 while the attributable profit is down from £93,000 to £52,000.

The final dividend of 1.781p net raises the total from 2.7851p to 3.121p per 20p share. Stated earnings per share are up from 9.7p to 11.3p.

NO PROBE The proposed merger between EMI and United Artists Records is not being referred to the Competition and Mergers Commission.

When Warren acquired Mason it was agreed the additional consideration would be paid if Messrs' profits exceeded £82,000. For 1978 they came to £82,000.

COPE SPORTS SPENDS £1.7M Cope Sportsweave has acquired Associated Weavers (Fabrics) from Associated Weavers (International) in a £1.7m cash deal, payment being met from existing resources.

Weavers (Fabrics) is a manufacturer of woven fabrics and knitted pile materials used in the clothing, footwear, furniture and motor vehicle industries. Its factories are based in Yorkshire and Lancashire.

Net assets in its last balance sheet at November, 1978 amounted to £1.51m. Weavers (Fabrics) has made up its first audited accounts for the period May 1, 1978 to November 26, 1978 and has reported pre-tax profits for that period of £243,634.

REDLAND Sarasota Engineering, a subsidiary of Redland, will purchase the capital of J. Agar Instrumentation of Alresford, Hampshire and J. Agar Instrumentation of Houston, Texas, subject to Bank of England approval.

The Agar companies design and manufacturing systems used for the measurement of density and flow of liquids and gases.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date, Corrected dividend, Total for year, Total last year. Includes companies like Aberdeene Trst, Allebone, Belgrave (Blackheath), Bremner, etc.

Dividends shown pence per share net except where otherwise stated. † Equivalent after allowing for scrip issue. ‡ On capital increased by rights and/or acquisition issues. § Includes supplementary 0.125p for 1977/78 now payable.

BIDS AND DEALS

Beazer builds up land holdings

C. H. Beazer (Holdings), the commercial, industrial and residential developer and contractor, has bought three private companies, the Smith Group, a house-builder based in the Southwest of England, in a deal worth £3.3m.

The three companies which make up the group are D. R. Dunthorn and Son, R. M. Smith (Properties) and R. M. Smith. The purchase will give Beazer a housing land bank of about 2,700 plots, together with about 24 acres of industrial land, which is located near Beazer's own centre of operations.

The consideration is to be satisfied by the issue of 1.93m ordinary shares of Beazer and the balance will be settled in cash. Smith Group's balance sheet at March 31, 1978, showed aggregate net assets of £1.37m; and audited pre-tax profits for the year amounted to an aggregate £396,000.

About one-third of the Smith Group's holdings of tenanted properties were sold for £510,000 and a similar proportion is now under contract to be sold.

JAMES WARREN Sarasota Engineering, a subsidiary of Redland, will purchase the capital of J. Agar Instrumentation of Alresford, Hampshire and J. Agar Instrumentation of Houston, Texas, subject to Bank of England approval.

The Agar companies design and manufacturing systems used for the measurement of density and flow of liquids and gases.

Harris Queensway moving into DIY improvement

Harris Queensway, the carpet retailer and discount furniture supplier, is forming a new do-it-yourself home improvement division.

In doing so Harris Queensway has brought in Mr. L. A. Davis, who is currently managing director of Timberland, a subsidiary of Comet Radiovision Services. Mr. Davis and Mr. G. Rees, currently merchandising director of Timberland, will both join the group on June 1.

Earlier this year it had seemed possible that Harris Queensway might acquire Timberland, which was formerly the retail end of Caledonian Holdings, the Stenhouse offshoot which came to the market this year.

But that intention came to an end when Comet eventually acquired Caledonian after a battle for control with London and Midland Industrial.

The home-improvement division will create a network of home improvement centres throughout England and Scotland.

About four of the group's existing Queensway discount stores will be divided to accommodate the new home improvement centres and the group said yesterday that "a significant number of further sites are already under negotiation."

In addition the group has agreed to purchase for £1m in cash a 39.9% share in the home improvement store in Ballykeegan, Co. Wick.

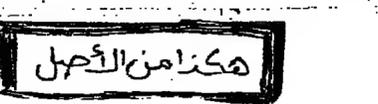
Lilley deal with Whitecroft F. J. C. LILLEY, the civil engineer and public works contractor, is to buy the capital of Z. and W. Wade, and its wholly owned subsidiary George Longden Construction, for £1.57m cash, building and engineering group.

Table of Final Dividends for various companies including Allied Plant Group, Hillend, Boot (Henry) and Sons, etc.

Table of Dividend (p) for various companies including Portland Industries, Parva Chadburn, etc.

Table of Announcements for various companies including British Sugar Corporation, etc.

Table of Interim Figures for various companies including Harrison's Malaysian Estates, etc.



# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take over bids and mergers

**Kitchen-Queen**, the furniture retailer and manufacturer which came to the market last November is making an agreed bid for the Rochdale-based carpet retailer, **Knott Mill** on the basis of 31 Kitchen-Queen shares for every 22 Knott Mill. A cash alternative is available.

**Brown and Jackson**, the building and civil engineering contractor, is to acquire for £490,000 cash, 75 per cent of the Ordinary Shares of **Amoguard** Extended Warranties, which markets warranties on motor vehicles to major UK garage outlets. Brown and Jackson will also issue 250,000 10 per cent preference shares to Amoguard and could make further deferred cash payments to the vendor of up to £1.56m over the next three years if warranties are met. Brown and Jackson also agreed to purchase 80 per cent of the ordinary shares of footwear concern **Grakochus** for £1.5m.

**Bodycote International** is to buy a private engineering company, **Blanzburgh**, for an initial consideration of £1m and a maximum further £1m over the next three years depending on profit performance.

Dealings in **Reabrook Investment Trust** were temporarily suspended pending the announcement of plans to acquire **Arrow Chemicals** for a total consideration of £2.5m in cash and shares at the present suspension price of 53p. Reabrook expects to lose its investment trust status, and proposes to change the name of the enlarged group to **Arrow Chemicals Holdings**.

**Olympia and York Development's** 60p ordinary share cash offer for **English Property** is now unconditional following 83 per cent acceptance.

Acceptances received by **HAT** in respect of the offer for **Glass and Metal** amount to 91.98 per cent and the Ordinary offer is unconditional.

Company bid for	Value of bid per share**	Market price**	Price bid	Value of bid	Final Acct'ce date
<b>English Prop.</b>	60*	50	54	57.3	Olympia & York Dev. 23/4
<b>Farm Feed Glass &amp; Metall</b>	95*	83	94	1.08	Consortium 25/4
<b>James Richards</b>	183**	143	130	6.04	HAT
<b>Knott Mill</b>	187**	166	107	36.5	Noreros
<b>Lindsay &amp; Wms.</b>	126**	130	107	0.98	Ritcho. Queen
<b>Sec. &amp; Univ. Inv.</b>	194**	184	204	2.7	Lorhne
<b>Smith Walls</b>	185**	175	148	1.85	R. Cartwright
<b>Wilton-Greene</b>	115**	114	107	16.7	Rockwell
<b>Wolverhampton Siam Laundry</b>	12**	21	164	0.99	Mr. I. H. Silk 27/4

\* All cash offer. \*\* Cash alternative. † Partial bid. ‡ For capital not already held. § Combined market capitalisation. ¶ Date on which scheme is expected to become operative. †† Based on April 27, 1979. ††† At suspension. †††† Estimated. ††††† Shares and cash. ††††† Unconditional.

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends per share (p)
<b>Common Bros.</b>	Apr. 1	171 (£23)	4.0 (2.0)
<b>Cooper (F.)</b>	Jan. 1	292 (£252)	0.33 (0.33)
<b>Dowding &amp; Mills</b>	Dec. 1	1,040 (£810)	0.59 (0.54)
<b>Hoover</b>	Mar. 1	619 (£2,400)	— (—)
<b>Lawrence (W.)</b>	Dec. 1	517 (£528)	1.8 (1.8)
<b>Lireaud</b>	Jan. 1	107 (£19)	1.0 (2.0)
<b>Long and Hamby</b>	Feb. 1	250 (£25)	0.19 (0.11)
<b>MY Dart</b>	Dec. 1	810 (£221)	1.0 (0.91)
<b>RCF Holdings</b>	Jan. 1	213 (£130)	0.88 (0.88)
<b>Stinson (S.)</b>	Jan. 1	822 (£840)	1.31 (1.31)
<b>Speyer Bros</b>	Dec. 1	123 (£406)	0.25 (0.19)
<b>Tyzack (W. A.)</b>	Jan. 1	218 (£118)	0.5 (0.29)
<b>Wade Potteries</b>	Jan. 1	530 (£340)	0.49 (0.44)

(Figures in parentheses are for corresponding period.)  
\* Dividends shown net except where otherwise stated.  
† Adjusted for any intervening scrip issue. †† For 15 months.  
††† For eight months. †††† Profit after tax. ††††† First quarter figures.

## PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
<b>Alpine Holdings</b>	Jan. 1975	(830)	10.6 (4.5)	2.75 (2.47)
<b>Anal. Metal</b>	Dec. 1978	5,531	38.0 (34.0)	5.8 (5.28)
<b>Anal. Power</b>	Dec. 1978	3,670	(3.26)	5.8 (5.28)
<b>Bamford's</b>	Dec. 1978	542	(878)	8.4 (12.9)
<b>Bestobell</b>	Dec. 1978	4,800	(5,490)	20.7 (23.5)
<b>Bodycote Hldgs.</b>	Dec. 1978	2,060	2,040	2.0 (1.8)
<b>Brook Street</b>	Dec. 1978	1,910	1,900	5.9 (3.5)
<b>Camrex</b>	Dec. 1978	42	(1,890)	8.4 (11.5)
<b>Chesterford Fraps.</b>	Dec. 1978	2,230	(1,780)	11.6 (8.5)
<b>Cope Sportswear</b>	Dec. 1978	505	(434)	3.1 (1.6)
<b>Cordytech</b>	Dec. 1978	423	(201)	7.9 (7.7)
<b>Cornhill Hldgs.</b>	Dec. 1978	588	(505)	9.2 (6.5)
<b>Danish Bacon</b>	Dec. 1978	1,040	(1,710)	24.0 (41.0)
<b>Ebar Ltd.</b>	Dec. 1978	2,200	(2,070)	64.5 (84.2)
<b>Elec. and Hldgs.</b>	Jan. 1979	1,519	(1,408)	7.9 (6.2)
<b>Edie &amp; Goldstein</b>	Jan. 1979	1,820	(1,230)	6.1 (4.2)
<b>Farm Feed Hldgs.</b>	Jan. 1979	(83)	(83)	1.2 (1.3)
<b>Farrell Elec.</b>	Jan. 1979	4,050	(3,120)	31.0 (22.7)
<b>Flight Refuelling</b>	Dec. 1978	1,910	(1,480)	16.0 (12.5)
<b>Fogarty (E.)</b>	Dec. 1978	2,705	(1,840)	50.7 (37.4)
<b>Fosco Minsep</b>	Dec. 1978	17,083	(14,316)	19.4 (17.4)
<b>Gerrard &amp; Natl.</b>	Apr. 1978	5,005	(5,710)	— (—)
<b>Gramplan TV</b>	Feb. 1978	406	(372)	8.7 (5.8)
<b>Harrison (T. C.)</b>	Dec. 1978	3,050	(2,320)	18.7 (15.7)
<b>Home Charm</b>	Dec. 1978	2,107	(1,304)	24.4 (14.3)
<b>Hopkinsons Hldgs.</b>	Feb. 1978	3,300	(4,275)	9.8 (17.8)
<b>Hoskins &amp; Horton</b>	Dec. 1978	570	(607)	29.5 (15.8)
<b>Hovringham</b>	Dec. 1978	4,880	(3,554)	12.2 (10.4)
<b>J. B. Holdings</b>	Dec. 1978	2,810	(2,304)	17.4 (12.6)
<b>Jessel Toyne</b>	Mar. 1978	940	(1,300)	— (—)
<b>Land &amp; European</b>	Dec. 1978	913	(85)	4.7 (2.7)
<b>London Ltd.</b>	Dec. 1978	3,840	(3,290)	21.5 (17.0)
<b>Lowland Drapery</b>	Dec. 1978	179	(220)	4.5 (5.4)
<b>Martin-Black</b>	Dec. 1978	179	(205)	2.0 (—)
<b>MDV</b>	Dec. 1978	1,070	(671)	8.8 (5.3)
<b>Mezles (John)</b>	Feb. 1978	5,940	(4,740)	34.8 (19.6)

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
<b>Mowlem (John)</b>	Dec. 1978	5,920	(4,120)	37.9 (29.6)
<b>Newarthill</b>	Dec. 1978	8,260	(11,560)	37.4 (34.0)
<b>North (M. F.)</b>	Dec. 1978	743	(882)	2.3 (1.5)
<b>Office &amp; Electric.</b>	Dec. 1978	2,370	(1,930)	17.5 (15.2)
<b>Oxley</b>	Dec. 1978	1,583	(1,408)	20.4 (23.5)
<b>Perry (Harold)</b>	Dec. 1978	3,780	(2,770)	34.3 (31.4)
<b>Provident Finance.</b>	Dec. 1978	10,730	(9,540)	13.8 (11.1)
<b>Reverex</b>	Dec. 1978	2,581	(2,815)	4.9 (10.0)
<b>Richdms. Weigh.</b>	Dec. 1978	638L	(2,000)	— (7.8)
<b>Rowan &amp; Boden</b>	Dec. 1978	604	(430)	14.9 (13.1)
<b>Rugby Fortland</b>	Dec. 1978	14,907	(18,522)	8.4 (8.2)
<b>Sandeman (G. G.)</b>	Dec. 1978	1,770	(1,400)	9.0 (5.4)
<b>Stemmen Hunter</b>	Dec. 1978	1,120	(814)	9.4 (18.0)
<b>Stentlight</b>	Jan. 1979	4,118	(3,330)	28.7 (18.8)
<b>Simon Engrs.</b>	Dec. 1978	16,606	(14,322)	42.6 (37.0)
<b>Smith St. Aubyn</b>	Apr. 1978	1,480	(2,250)	19.2 (13.1)
<b>Spillers</b>	Feb. 1978	14,780	(8,490)	6.7 (13.8)
<b>Telephone Rentals</b>	Dec. 1978	10,920	(9,864)	13.6 (11.6)
<b>TKM</b>	Dec. 1978	7,630	(5,820)	11.9 (10.4)
<b>Travis &amp; Arnold</b>	Dec. 1978	4,890	(3,790)	32.3 (25.6)
<b>Uld. Carriers</b>	Dec. 1978	1,770	(1,400)	9.0 (5.4)
<b>Vickers</b>	Dec. 1978	11,701	(25,061)	13.6 (30.2)
<b>Wight Constn.</b>	Jan. 1979	583	(573)	23.6 (20.7)
<b>Wood and Sons</b>	Dec. 1978	183	(253)	3.7 (8.8)

## Scrip Issues

**Farnell Electronics:** Three for two.

**Flight Refuelling:** One for two.

**Gramplan Holdings:** One new non-voting "A" share for 20p nominal in management, ordinary and non-voting "A" shares.

**Harrison (T. C.):** One for one.

**Home Charm:** Five for two.

**North (M. F.):** One for one.

**Silentlight:** One for two.

**Wight Construction:** One for two.

Company bid for	Value of bid per share**	Market price**	Price bid	Value of bid	Final Acct'ce date
<b>Caledonian Holdings</b>	183**	151	169	13.6	Comet Radiovision
<b>Collectors' Club</b>	118**	114	83	2.95	Rambros
<b>Common Bros.</b>	200**	230	220	3.99	Br. & Camwith. Shipping

\* All cash offer. \*\* Cash alternative. † Partial bid. ‡ For capital not already held. § Combined market capitalisation. ¶ Date on which scheme is expected to become operative. †† Based on April 27, 1979. ††† At suspension. †††† Estimated. ††††† Shares and cash. ††††† Unconditional.

AND DEALS  
r builds  
holdings

### BRITANNIA INVESTMENT MANAGEMENT

In the first quarter of 1979 no less than 4 of the top 10 and 3 of the top 40 best performing U.K. authorized unit trusts were managed by Britannia Trust Management Ltd.\*

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\*Source: Planned Savings Magazine

**Mr. Keith Crowley, Director, Britannia Trust Management Ltd.,**  
London EC2M 6JL. Tel: 01-588 2777

Please send further details of:  
□ Unit Trust Portfolio Management Service (min. £10,000).  
□ Britannia Trust (min. £500; Professional Trust 1000 units).  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_

FT31

## DON'T BUY OR SELL

Weeks way off improvement

- Alliance Trust
- Land Securities
- Alfred Breweries
- Legal & General
- Associated British Foods
- Lords Bank
- B.I.C.C.
- Lorhro
- B.O.C. International
- London Brick
- B.S.R.
- Lucas Industries
- Babcock & Wilcox
- M.P.C.
- Barclays Bank
- Marks & Spencer
- Bass Charrington
- Metal Box
- Beecham Group
- Midland Bank
- Blue Circle Inds.
- Mothercare
- Boots
- National Westminster
- Bowater
- Ocean Transport
- Bowring (C.T.)
- Pearl Assurance
- B.A.T. Industries
- P. & O. Delft
- British Homes Stores
- Pringleton Brothers
- British Petroleum
- Plessey
- Brown (John)
- Privatized Financial Group
- Cadbury Schweppes
- Prudential Assurance
- Charter Consolidated
- Rank Organisation
- Coats-Palsons
- Reckitt & Colman
- Commercial Union
- Redland
- Consolidated Gold Fields
- Reed International
- Costain (Richard)
- Rio Tinto-Zinc Corp.
- Courtaults
- Rowntree-Mackintosh
- De Beers Deid.
- Royal Insurance Co.
- De La Rue
- Sainsbury (J.)
- Dickinson Robinson
- Sedgwick Forbes Holdings
- Distillers
- Shell Transport & Trading
- Dunlop Holdings
- Slingsby Estates
- E.M.I.
- Smith & Nephew
- English China Clays
- Spillers
- Elsons
- Stock Conversion
- General Accident
- Tate & Lyle
- General Electric Co.
- Taylor Woodrow
- Glaxo Holdings
- Tesco Stores
- Great Metropolitan Hotels
- Thorn Electrical
- Grand Portland Estates
- Trafalgar House Invs.
- Great Universal Stores 'A'
- Trust House Forte
- Guardian Royal
- Tube Investments
- Guest, Keen & Nettelfolds
- Turner & Newall
- Guinness (A.)
- U.D.S. Group
- Hawker Siddeley
- Ultranam
- Hill Samuel Group
- Unilever
- House of Fraser
- Union Discount
- Howard (A.) Group
- United Bliscuits
- Imperial Chemical Inds.
- Vickers
- Imperial Group
- West Driefontein
- Kleinwort, Benson, Lonsdale
- Whitebread 'A'
- Ladbroke Group
- Whimpey (George)

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Trader

### INSURANCE BASE RATES

Property Growth	11.1%
Vanbrugh Guaranteed	10.13%

Address shown under Insurance and Property Bond Table.

## Litigation cuts back Petrocon

A LITIGATION settlement amounting to £349,357 against £25,000 last year, has left taxable profits at £65,258. This is down from £85,258 to £46,501 for 1978. Turnover was up slightly from £10.12m to £11.2m.

At half-year profits had fallen from £37,000 to £23,000.

Turnover in the two miscellaneous companies rose by 17 per cent and Hum Baker again made the largest contribution to group profits, directors state.

Results of the service companies, however, did not come up to expectations and all traded well below their potential.

Towards the end of the year a number of new products were introduced and the effect of these is beginning to be seen, they say.

The improved trading of the second half has carried through into 1979, but the rise has not been enough to bring start to the year, but again the directors say much will depend on the group's continued ability to compete in export markets.

Direct exports amounted to £4.03m (£3.04m) in 1978.

The litigation settlement refers to the lawsuit against Cuffshore Drilling Supplies and Petrocon Group in Texas, U.S. The full settlement sum of which a material amount is on delayed payment terms, has been charged with all associated costs and full corporation tax allowance is reflected in the tax charge; group figure for the year was £94,521 (£186,013) leaving an attributable profit of £152,290 compared with £499,245.

Earnings are shown to be 2.58p (3.45p) per 12½ share and the dividend is maintained at 4.5115p net with an unchanged final payment of 3.9601p.

Retained profits came out at £97,091 (£1,09m) after dividends £266,402, and prior year adjustments (£1.3m) and the dividend is unchanged in accounting policy for goodwill arising on acquisitions.

In future, to comply with SSAP 14, goodwill will be computed on the basis of the fair value of assets and liabilities acquired, the directors state.

## Relocation cuts back R. H. Cole

A FURTHER fall in the second half of 1978 left taxable profits of R. H. Cole, chemicals, plastics, electronics group, virtually intact at £86,700 for the full year compared with a previous £1.3m.

The directors say that the adverse performance was largely due to the relocation of Cole Plastics to new premises, with increased production capacity, at Milton Keynes.

At half-year profits had dropped from £78,000 to £471,000 and the directors said that level of performance achieved in the first six months was unlikely to be matched in the second period.

Turnover for the year was virtually unchanged at £23.4m (£23.6m).

After SSAP (5 adjusted tax of £194,000 against £790,000 earnings are shown as 15.3p net with a dividend of 3.14p (3.71p) net with a lift of 2.29p.

The attributable balance came out at £291,000 (£508,000) after an extraordinary debit of £264,000 (£29,000 credit).

## Belgrave (Blackheath) £55,000 loss

The directors of Belgrave (Blackheath), manufacturer of steel forgings, and nuts and bolts, reports a £55,382 turnover to a loss before tax of £53,310 for the year ended January 31, 1979.

The dividend for the period is cut from 2.85p to 1p net per 25p share. The loss was reduced to £25,131 (£149,950 profit) with a tax credit of £50,179 (£154,102 charge).

## Burrell's £486,000 turnaround to loss

BURRELL AND CO. (the chemical pigment maker, turned in a loss of £271,506 for the second half of 1978. This has more than wiped out the first-half profit and leaves a deficit for the year of £185,506 compared with a profit of £300,741.

Apart from heavier interest and depreciation the result was struck after compensation of £41,000 paid to Mr. Graham Burrell the last of the family directors, who resigned from the board in August, 1978. This payment covers about two years of his contract.

Mr. M. C. Ashworth, the chairman, says that the result is in line with the outlook fore-shadowed to the interim statement in October, 1978. As a result the directors feel it prudent to cut the dividend from 0.924p to a nominal 0.1p.

After a tax credit but allowing for extraordinary debits of £118,764, there is an attributable loss of £173,990.

	1978	1977
Turnover	9,481,642	9,256,746
Finance	2,823,020	6,221,209
Export	3,109,622	3,038,537
Trading profit	344,319	689,148
Overseas	256,226	242,051
Interest payable	136,415	78,576
Currency loss	3,626	148,200
Provision	41,000	—
Compensation	1,150,000	—
Loss before tax	185,506	300,741
Corporation tax	136,280	—
Extraordinary items	112,784	—
Dividends	54,829	262,223
Profit	268,615	138,518

## Allebone advances to £0.44m

Companies and Markets

Further early fall on Wall St.

INVESTMENT DOLLAR PREMIUM... Effective \$2.0590 23 1/2% (27 1/2%)... FURTHER LOSSES were recorded on Wall Street yesterday...

loss of 0.78 on the week, while the NYSE All Common Index, at 857.26, shed 26 cents on the day...

The Gold Index Share index spurted ahead 73.1 to 1834.3. Activity centered on Chemicals, which made gains of up to DM 1.30.

GERMANY—Mixed trend. Activity centered on Chemicals, which made gains of up to DM 1.30. Stores fell. Ranzhof shed DM 1.50—its higher 1978 dividend and 100-year Anniversary Bonus...

Closing prices and market reports were not available for this edition.

tinny pressures. The Federal Reserve signalled some tightening of credit following a sharp jump in the money supply.

General Public Utilities shed another 8 1/2 to \$101 on its cut dividend. But Duke Power regained \$1 to \$103 in active trading...

THE AMERICAN SEB Index Value Index shed 0.10 to 137.33, reducing its rise on the week to 2.51.

SWITZERLAND—Mixed on large volume, particularly in special situation stocks.

Market rised quiet today and Tuesday for May 1 holiday. AMSTERDAM—Mixed, with Dutch Internationals firmer led by Hoogovens, up F1 3 to 32 on Exel's expectation of consistent improvement in 1979

THURSDAY'S ACTIVE STOCKS

Table with columns: Stock, Change, Close, High, Low. Includes Duke Power, Ford, General Electric, etc.

Indices

NEW YORK - DOW JONES

Table with columns: Index, 1976, 1977, 1978, 1979. Includes Industrial, Composite, etc.

MONTEAL

Table with columns: Stock, Price, Change. Includes Alcan, Bell Canada, etc.

JOHANNESBURG

Table with columns: Stock, Price, Change. Includes Anglo American, De Beers, etc.

STANDARD AND POORS

Table with columns: Index, 1976, 1977, 1978, 1979. Includes Industrial, Composite, etc.

EUROPEAN STOCKS

Table with columns: Country, Stock, Price, Change. Includes London, Frankfurt, etc.

ASIAN STOCKS

Table with columns: Country, Stock, Price, Change. Includes Hong Kong, Singapore, etc.

AFRICAN STOCKS

Table with columns: Country, Stock, Price, Change. Includes Johannesburg, Nairobi, etc.

F.T. CROSSWORD PUZZLE No. 3,958

A prize of £5 will be given to each of the senders of the first correct solution... Winners only solution will be given next Saturday.

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Crossword puzzle grid with numbers 1-31 and clues for Across and Down.

SOLUTION AND WINNERS OF PUZZLE No. 3,952. Lists names and prizes for various puzzles.

RACING BY DOMINIC WILSON

Sandown all or nothing for Troy

THE PRESENCE of the Whitbread Gold Cup, the Westbury Stakes, the Esber Cup and the Classic Trial Stakes on one card adds up to a fascinating programme...

Table with columns: Race, Horses, Odds, Jockeys. Includes Sandown, Troy, etc.

Table with columns: Country, Stock, Price, Change. Includes Spain, Brazil, etc.

NEW YORK

Table with columns: Stock, Price, Change. Includes Abbott Labs, Alcoa, Amstar, etc.

STOCK

Table with columns: Stock, Price, Change. Includes Johnson & Johnson, Merck, etc.

APR 26

Table with columns: Stock, Price, Change. Includes Royal Dutch, Shell, etc.

OSLO

Table with columns: Stock, Price, Change. Includes Aker, etc.

PARIS

Table with columns: Stock, Price, Change. Includes Air Liquide, etc.

STOCKHOLM

Table with columns: Stock, Price, Change. Includes AGAAB, etc.

SWITZERLAND

Table with columns: Stock, Price, Change. Includes Alumin, etc.

BRUSSELS/LUXEMBOURG

Table with columns: Stock, Price, Change. Includes AEG, etc.

VIENNA

Table with columns: Stock, Price, Change. Includes Creditanstalt, etc.

MILAN

Table with columns: Stock, Price, Change. Includes ANIC, etc.

AMSTERDAM

Table with columns: Stock, Price, Change. Includes Ahold, etc.

JOHANNESBURG

Table with columns: Stock, Price, Change. Includes Anglo American, etc.

SKF hopes for upturn this year

By Victor Kayfetz in Stockholm
SKF, THE SWEDISH multinational which is the world's largest manufacturer of bearings, expects higher capacity utilization, better prices and elimination of losses to some subsidiaries to result in improved earnings during 1979.

Swiss chemical concern sees recovery in sales

By JOHN WICKS IN ZURICH
CURRENCY fluctuations cost Swiss chemical group, Ciba-Geigy, no less than SwFr 2.1bn in sales last year. Had there been no pressure from the foreign exchange market, turnover in 1978 would have risen by 11 per cent instead of dipping by a tenth to SwFr 8.9bn (\$5.18bn).

Montedison names Arab shareholder

By Paul Bates in Rome
INTERREDC BAHAMAS, a subsidiary of the Saudi Research and Development Corporation (SREDC) of Jeddah, is the new Saudi Arabian shareholder of Italy's largest chemicals conglomerate, Montedison.

West LB warns of losses on stake in building group

By ADRIAN DICKS IN BONN
WESTDEUTSCHE Landesbank (West LB) has issued a warning of possible losses from its 10 per cent stake in Beton-und-Monierbau, the large West German construction group which filed for bankruptcy earlier this month.

When B and M carried out a capital increase last November, the help of a consortium of banks including West LB, Dr. Voelting said there had been no attempt by anyone to conceal the fact that it was undergoing a "probationary phase".

SKF believes that the economic upturn in West Germany during the latter half of 1978 which pulled up Sweden and other European countries will continue throughout 1979. The beginnings of somewhat earlier investment activity noted at the same time may be signs that industry has found the time ripe to modernise equipment and plant.

Poclair foresees return to the black this year

By DAVID WHITE IN PARIS
THE TROUBLES of Poclair, the French construction equipment company, appear to be nearly over, according to M. Pierre Bataille, chairman of the group which the U.S. Case-Teconco concern has been trying to revive since 1977.

Allianz to buy insurance side of ASL

By James Farth in Sydney
ALLIANZ, the West German insurance group, is expanding in Australia. It is to purchase for AS2.5m the insurance side of ASL, the offshoot of the failed finance company, Associated Securities.

Aetna takes in \$6m loss on nuclear accident

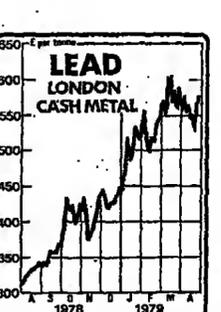
HARTFORD—Operating net earnings of Aetna Life and Casualty rose by 18 per cent to \$129.9m in the first quarter. Share earnings at \$1.52 against \$1.28 last year.

Pan Am terms for National bid clarified

NEW YORK—Pan American World Airways said yesterday that, following the termination of its agreement with Texas International Airways (TXIA), its proposed acquisition of National Airlines is still for sale.

The First Viking Commodity Trusts
Commodity OFFER 46.1 BID 43.8
Double OFFER 40.6 Option Trust . BID 38.6

COMMODITIES/Review of the week Russian buying boosts lead



LEAD PRICES surged ahead of London Metal Exchange this week following reports of renewed Russian buying interest and a further squeeze on nearby supplies. Cash lead closed last night \$53.50 on the week at \$79.50 a tonne.

Coffee prices rose sharply in late trading on the London futures market yesterday to end at the highest levels for six months. Rumours that further producer price rises were in the pipeline, notably in Brazil and Colombia, encouraged yesterday's upsurge.

The July coffee price ended at £1,579 a tonne, up £23 on the day and £50.50 on the week. Cocoa prices were much quieter with the July position slipping to £1,584 a tonne at one stage before ending the week £1.5 lower on balance at £1,606 a tonne.

MARKET REPORTS BASE METALS

COPPER—Firm again on the London market. The price of the metal advanced to £245.50 on the week. Tin prices were also firm, with the price of the metal rising to £1,000 on the week.

WHEAT—Yesterday's +m. Yesterday's EARLY. Wheat prices were firm, with the price of the grain rising to \$1.25 on the week. Soybean meal prices were also firm, with the price of the meal rising to \$1.50 on the week.

AMERICAN MARKETS

NEW YORK, April 27. Precious metals finished mixed on mixed activities. Copper initially sold off on local and speculative selling, but recovered to close at 80.50.

RUBBER—Slightly lower opening on the London market. The price of the rubber fell to 110 on the week. Soybean meal prices were also lower, with the price of the meal falling to 1.45 on the week.

WEEKLY PRICE CHANGES

Table with columns for Commodity, 1979 High/Low, and 1978 High/Low. Includes items like Metals, Grains, and Oils.

WHEAT

Table with columns for Commodity, 1979 High/Low, and 1978 High/Low. Includes items like Wheat, Corn, and Soybeans.

COFFEE

Table with columns for Commodity, 1979 High/Low, and 1978 High/Low. Includes items like Coffee, Cocoa, and Rubber.

INDICES

Table with columns for Index Name, Apr. 26, Apr. 25, Apr. 24, and Apr. 23. Includes Dow Jones, Financial Times, and Moody's.

MEAT/VEGETABLES

Table with columns for Commodity, Apr. 26, Apr. 25, Apr. 24, and Apr. 23. Includes items like Meat, Poultry, and Vegetables.



Financial Times Saturday April 28 1979

Table of financial data including stock prices for various companies like Anglo-Canadian, Canadian National, and others.

Table of financial data including stock prices for companies like Canadian Pacific, Canadian National, and others.

Table of financial data including stock prices for companies like Canadian National, Canadian Pacific, and others.

Table of financial data including stock prices for companies like Canadian National, Canadian Pacific, and others.

LOCAL AUTHORITY BOND TABLE: Table listing bond yields for various local authorities like Knowlsey, Poole, and others.

UNIT TRUSTS (6): Table listing unit trusts and their performance metrics.

Australian (4): Table listing Australian stocks and their prices.

Table listing international exchange rates and market data.

BUILDING SOCIETY RATES: Table listing building society rates for various societies like Abbey National, Alliance, and others.

Table listing various financial data and market information.

Table listing various financial data and market information.

Table listing various financial data and market information.

Footnote and disclaimer text at the bottom of the page.

LONDON STOCK EXCHANGE

First week of election account ends quietly but late rally leaves 30-share index up one point at 547.9

Account Dealing Dates

First Declara- Last Account Dealings Dates Dealings Day Apr. 9 Apr. 19 Apr. 20 May 7 Apr. 23 May 3 May 4 May 15 May 8 May 17 May 18 May 30

Publication of another opinion poll emphasizing the contracting Tory lead over Labour tended to restrain investment activity in equity markets yesterday and the first leg of the election account ended on an extremely quiet note.

the occasional bout of speculative interest.

British Funds warmed to the recovery in the sterling exchange rate. Investment activity improved, particularly at the short end of the market where small opening losses were soon regained and eventually replaced by gains extending to 1 1/2%.

A. Gibbs easier

Reflecting the quieter conditions in equities, traded options attracted 1,072 contracts or less than half the previous day's total. It brought the week's average, however, to 1,669, the highest this month.

483p following the lower annual profits, while similar reactions were recorded in Guinness Peat, 106p, and Wagon Finance, 50p.

Overseas issues made progress with ANZ closing 8 better at 280p and Bank of New South Wales 10 to the good at 225p, despite the lower dollar premium.

Details of the group's £1.5m expansion move into the micro-processors technology field stimulated Brooks which improved steadily to close 15 higher at the day's best of 137p.

Brokers and kindred issues drifted lower owing mainly to a paucity of buyers, although some small selling was noted. Among the leaders, Bass eased 2 1/2 to 228p and Whitbread shed a penny to 139p.

Henriques eased 2 to 34p following an inspiring first-quarter figures. Profit-taking after the recent strength clipped 6 from Harris Queensway, at 254p, but buying in a thin market lifted Alfred Freedy 6 to 108p.

Shoeb, Allebone gave up a penny to 253p, news of the higher annual profits being overshadowed by the Board's bullish remarks about current trading.

BOC better

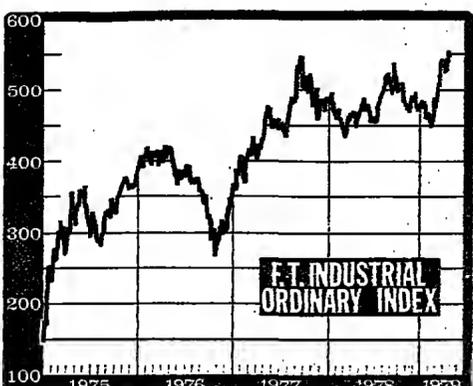
BOC International claimed most attention among the miscellaneous industrial leaders following a broker's upward revision of its profit prediction and the close was up at a 1979 peak of 75p.

The adverse effects of York Trailer's first-quarter loss, due mainly to the road haulage dispute, were offset by the company's report of an influx of new orders and the shares gained 4 to 50p.

Among Distributors Press mentioned Carriers 3 to 133p, but Lockwoods were marked down 6 to 105p on the lower interim profits.

Interest in Properties was again confined in selected issues.

Barrington & Co. formed 15 to 352p in response to increased annual profits, while renewable speculative demand in restricted markets lifted Lamy 50 for a two-day gain of 75 to 710p and Bradford 15 to 465p.



FINANCIAL TIMES STOCK INDICES table with columns for April 27, April 26, April 25, April 24, April 23, April 22, April 21, April 20, April 19, April 18, April 17, April 16, April 15, April 14, April 13, April 12, April 11, April 10, April 9, April 8, April 7, April 6, April 5, April 4, April 3, April 2, April 1, 1979, and a Year ago column.

HIGHS AND LOWS table with columns for 1979, Since Completion, and S.E. ACTIVITY. It lists various stock categories like Govt. Secs., Fixed Int., Ind. Ord., Gold Mines, and S.E. Act. with their respective high and low values.

preliminary statements on Wednesday. Generally idle Textiles were featured by knitwear manufacturers Towles, which rose 5 to 64p following the increased annual dividend and profits.

RISES AND FALLS table with columns for Yesterday, On the week, and On the week. It lists various stock categories like British Funds, Corp. and Foreign Bonds, Financial and Prop., and Others with their respective price changes.

LONDON TRADED OPTIONS

Table of London Traded Options with columns for Option, Ex. rate, Closing price, Vol., Closing offer, Vol., Closing offer, Vol., Equity close, and Date.

Table of Active Stocks with columns for Stock, Denomina., No. of shares, Closing price, Change, 1979 high, 1979 low, and 1979 volume.

Table of Recent Issues with columns for Issue, Amount, Date, 1979 High, 1979 Low, and 1979 Volume.

Table of Fixed Interest Stocks with columns for Issue, Amount, Date, 1979 High, 1979 Low, and 1979 Volume.

Table of Base Lending Rates with columns for Bank, Rate, and Date.

NEW HIGHS AND LOWS FOR 1979

Table of New Highs and Lows for 1979 with columns for Stock, High, and Low.

OPTIONS

Table of Options with columns for Deal, Last, Declara., Settling, and Date.

RECENT ISSUES

Table of Recent Issues with columns for Issue, Amount, Date, 1979 High, 1979 Low, and 1979 Volume.

FIXED INTEREST STOCKS

Table of Fixed Interest Stocks with columns for Issue, Amount, Date, 1979 High, 1979 Low, and 1979 Volume.

FT-ACTUARIES SHARE INDICES

Table of FT-Actuaries Share Indices with columns for Equity Groups & Sub-sections, Index No., Day's Change, and 1979 High/Low.

RIGHTS OFFERS

Table of Rights Offers with columns for Issue, Amount, Date, 1979 High, 1979 Low, and 1979 Volume.

FIXED INTEREST PRICE INDICES

Table of Fixed Interest Price Indices with columns for British Government, 1-5 years, 5-15 years, 15-25 years, and All stocks.

FT-ACTUARIES SHARE INDICES

Table of FT-Actuaries Share Indices with columns for Equity Groups & Sub-sections, Index No., Day's Change, and 1979 High/Low.

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Vertical text on the right edge of the page, possibly a page number or reference.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trst. Mgrs. (a), Abbey Growth Trst. Mgrs. (a), and others, with columns for fund names, managers, and performance metrics.

Table listing various unit trusts such as Friends' Provident Unit Trst. Mgrs., Friends' Unit Trst. Mgrs., and others, with columns for fund names, managers, and performance metrics.

Table listing various unit trusts such as Mutual Unit Trust Managers (a)(b), National and Commercial, and others, with columns for fund names, managers, and performance metrics.

Table listing various unit trusts such as Target Trst. Mgrs. (Scotland) (a)(b), Alexander Fund, and others, with columns for fund names, managers, and performance metrics.

INSURANCE AND PROPERTY BONDS

Table listing various insurance and property bond companies such as Abbey Life Assurance Co. Ltd., Crown Life Assurance, and others, with columns for company names, addresses, and contact information.

Table listing various offshore and overseas funds such as Alexander Fund, Keyser Ullmann Ltd., and others, with columns for fund names, managers, and performance metrics.

NOTES

Notes section containing various financial notices, including information about interest rates, exchange rates, and other market-related details.



# FT SHARE INFORMATION SERVICE

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Table listing various British funds with columns for Name, Price, and % Chg.

## Five to Fifteen Years

Table listing British funds with 5-15 year maturities.

## Over Fifteen Years

Table listing British funds with over 15 year maturities.

## INTERNATIONAL BANK

Table listing international bank shares.

## CORPORATION LOANS

Table listing various corporation loans.

## COMMONWEALTH & AFRICAN LOANS

Table listing Commonwealth and African loans.

## FOREIGN BONDS & RAILS

Table listing foreign bonds and rail shares.

## FINANCIAL TIMES

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## EDITORIAL OFFICES

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## BONDS & RAILS—Cont.

Table listing bonds and rail shares.

## BANKS & HP—Continued

Table listing bank and HP shares.

## CHEMICALS, PLASTICS—Cont.

Table listing chemical and plastic shares.

## ENGINEERING—Continued

Table listing engineering shares.

## AMERICANS

Table listing American shares.

## BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit shares.

## DRAPERY AND STORES

Table listing drapery and store shares.

## HOTELS AND CATERERS

Table listing hotel and caterer shares.

## Over Fifteen Years

Table listing American funds with over 15 year maturities.

## BUILDING INDUSTRY, TIMBER AND ROADS

Table listing building, timber, and road shares.

## ELECTRICAL AND RADIO

Table listing electrical and radio shares.

## INDUSTRIALS (Miscel.)

Table listing various industrial shares.

## CANADIANS

Table listing Canadian shares.

## BANKS AND HIRE PURCHASE

Table listing bank and hire purchase shares.

## Public Board and Ind.

Table listing public board and industrial shares.

## Food, Groceries, Etc.

Table listing food and grocery shares.

## AMERICAN FUNDS

Table listing American funds.

## Over Fifteen Years

Table listing American funds with over 15 year maturities.

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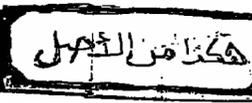
Table listing American funds with over 15 year maturities.

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Table listing American funds with over 15 year maturities.



INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, ICI, and various engineering firms, with columns for stock price, dividends, and other financial metrics.

INSURANCE—Continued

Table of insurance companies such as British Overseas Airways, Commercial Union Assurance, and others, listing their stock prices and financial data.

PROPERTY—Continued

Table of property-related stocks and investment trusts, including companies like British Land, Commercial Union Assurance, and various real estate investment trusts.

INVESTMENT TRUSTS—Cont.

Table of investment trusts such as British Overseas Airways, Commercial Union Assurance, and various real estate investment trusts, listing their stock prices and financial data.

FINANCE, LAND—Continued

Table of finance and land-related stocks, including banks, insurance companies, and real estate investment trusts, listing their stock prices and financial data.

Chestertons logo and header for the MINEs section.

MINEs—Continued

Table of Australian mining stocks including companies like Anglo American, Anglo Coal, and various other mining firms.

TINS

Table of tin stocks including companies like Anglo American, Anglo Coal, and various other mining firms.

COPPER

Table of copper stocks including companies like Anglo American, Anglo Coal, and various other mining firms.

MISCELLANEOUS

Table of miscellaneous stocks including companies like Anglo American, Anglo Coal, and various other mining firms.

OVERSEAS TRADERS

Table of overseas trading companies including Anglo American, Anglo Coal, and various other trading firms.

TEAS

Table of tea stocks including companies like Anglo American, Anglo Coal, and various other trading firms.

INDIA AND BANGLADESH

Table of Indian and Bangladeshi stocks including companies like Anglo American, Anglo Coal, and various other trading firms.

SRI LANKA

Table of Sri Lankan stocks including companies like Anglo American, Anglo Coal, and various other trading firms.

AFRICA

Table of African stocks including companies like Anglo American, Anglo Coal, and various other trading firms.

MINEs

Table of mining stocks including companies like Anglo American, Anglo Coal, and various other trading firms.

CENTRAL RAND

Table of Central Rand mining stocks including companies like Anglo American, Anglo Coal, and various other trading firms.

EASTERN RAND

Table of Eastern Rand mining stocks including companies like Anglo American, Anglo Coal, and various other trading firms.

FAR WEST RAND

Table of Far West Rand mining stocks including companies like Anglo American, Anglo Coal, and various other trading firms.

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FINANCE, LAND, etc.

Table of finance and land-related stocks, including banks, insurance companies, and real estate investment trusts, listing their stock prices and financial data.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo American, Anglo Coal, and various other trading firms.

REGIONAL MARKETS

Table of regional market data including stock prices and financial metrics for various regions.

OPTIONS

Table of options data including stock prices and financial metrics for various options contracts.

CENTRAL AFRICAN

Table of Central African stocks including companies like Anglo American, Anglo Coal, and various other trading firms.

REGIONAL MARKETS

Table of regional market data including stock prices and financial metrics for various regions.

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JEROME'S GLENTWIST SUITINGS
SEE YOUR TAILOR FOR
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MAN OF THE WEEK
Rhodesia's quiet victor

BY TONY HAWKINS
IT IS SUPREMELY ironic that the man who in 1972 convinced a Tory Government that its Rhodesian settlement, based on a restricted franchise and majority rule at some distant future date, was "unacceptable to the people of Rhodesia as a whole" should now be able to persuade a Labour administration that immediate, if diluted, Black rule resulting from one-man one-vote elections justifies recognition and the lifting of economic sanctions.



Bishop Abel Muzorewa Can he fulfil his promises he has made?

Mugabe, Sithole—drifted away so that by the time the Black Nationalists gathered in Geneva in October 1976 to implement the "Klasing Agreement", the Bishop had become—in the eyes of the international media and the Anglo-American governments—a forlorn, almost forgotten figure. Whitehall made little secret of its preference for Mr. Nkomo and its assessment of the Bishop as a weak and ineffectual leader. Yet at home, the Bishop had managed to establish a quite remarkable rapport with the masses attracting huge crowds of 150,000 and more, demonstrating far greater grassroots support than his more famous rivals.

Italy to seek \$1bn credit from IMF

BY PAUL BETTS IN ROME
ITALY intends to negotiate a new standby credit of some US\$ 1bn (£488m) with the International Monetary Fund immediately after the Italian general elections on June 3 and 4.
Sig. Filippo Maria Pandolfi, the Treasury Minister, who confirmed this, is understood to have already told Mr. Alan Whitlam, the Fund's European director, at the end of his recent visit to Rome that Italy was interested in negotiating a new facility.
Although Italy is in no urgent need of renewed international support, the new standby facility, which would also entail an Italian Letter of Intent to the Fund, is largely aimed at enhancing international confidence in the country.

U.S. reactors shut for checks

BY DAVID BUCHAN IN WASHINGTON
U.S. POWER companies operating Babcock and Wilcox-hull nuclear reactors similar to those at the damaged Three Mile Island plant have voluntarily agreed to shut them until safety questions are resolved, the Nuclear Regulatory Commission announced yesterday.
The move was seen as a face-saving gesture by the industry, which faced being ordered to shut by the NRC, whose top staff earlier this week recommended immediate closure of the B and W reactors.
The NRC said this compromise meant that all seven reactors involved should be back in operation before the peak period of summer electricity use. The closures will be staggered to soften the impact on the companies. Of the four B and W-built reactors operating one in California and one in South Carolina will shut today, followed by the two others in South Carolina in the middle of next month.

Callaghan snubs civil servants

BY PHILIP BASSETT, LABOUR STAFF
MR. JAMES CALLAGHAN the Prime Minister, has turned down a request from Civil Service union leaders for a meeting aimed at resolving a final stumbling block to a pay settlement for 600,000 white-collar civil servants.
The Civil and Public Services Association yesterday called off its selective strikes in the Civil Service after branch voting showed 103,506 members in favour of accepting the Government's pay offer of 9 per cent, with further staged rises, and 29,543 against.
The Society of Civil and Public Servants agreed to the settlement on a vote of 23,753 for the deal and 1,222 against, selected to call off its selective strikes because the Civil Service Department is insisting that the period of the strike should not count towards strikers' seniority.

CIVIL SERVICE PAY table with columns: Present, Offered, % change. Rows include Clerical assistant, Clerical officer, Executive officer, Higher executive officer, Senior executive officer, Principal.

Teachers

Continued from Page 1
All unions represented in Burnham joined in sending a telegram to Mrs. Williams, accusing her of irresponsibility in pre-empting a possible settlement.
The unions' panel is claiming a 38.5 per cent increase, which it claims is needed to restore the position of teachers in the "pecking order" for public sector pay, established by the official Houghton inquiry of 1974.
The education authority employers have offered 9 per cent backdated to April 1 plus reference to the Pay Comparability Commission, with payment of any award to two halves from April 1980 and April 1981.
But although the unions' spokesman urged Mrs. Williams to allow negotiations to reopen before the election, she seems unlikely to change her mind.
The main reason is that Ministers and senior civil servants at the Department of Education and Science are opposed to the terms on which the Burnham panels agreed last Tuesday to refer the teachers' claim to the Pay Comparability Commission.
Ministers are opposed because the terms of reference, by instructing the commission to have regard to the Houghton Report of 1974, would set the precedent of taking a "special case" under past incomes policy and resurrecting it as a "very special case" under the new machinery.
Civil servants are opposed because the terms of reference do not guarantee both sides' acceptance of an award by the commission. The award would have to go before the Burnham Committee, and could well be driven higher by further negotiations.
A secondary point of opposition by officials is that the commission's workload is thought to be such that it could hardly complete a study of teachers' pay before Christmas.
The fact that it was the terms of reference to the commission that caused central Government to block negotiations accounts for much of the anger shown by both sides.

Fairchild expected to resist £146m takeover bid by Gould

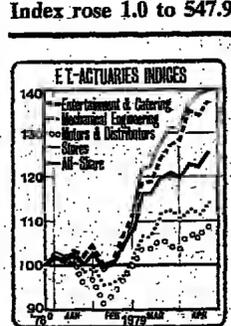
BY STEWART FLEMING IN NEW YORK
FAIRCHILD CAMERA and Instrument Corporation, the fifth-largest U.S. semi-conductor producer, is widely expected to resist the \$300m (£146m) takeover bid launched late on Thursday by Gould, an Illinois-based electrical equipment manufacturer.
Although the Board of Fairchild will not meet to decide formally until next Thursday, there is evidence to suggest that the company does not want to be taken over by Gould at a price equivalent to only 12 times 1978 earnings.
There is speculation already on Wall Street that Fairchild might begin to search for a more attractive partner. It is thought there would be no shortage of businesses interested in linking with a leading company in the growing micro-electronics industry.
Among those who must be watching the situation closely will be the British General Electric Company, which last year entered into a joint venture with Fairchild in the UK. At one point it had been rumoured that GEC might itself be interested in a fuller link with Fairchild although this has never been confirmed.

New licence for BNOC

Continued from Page 1
The department said recent exploration on Stafford suggested that the UK oil reservoir extended into the two blocks that had now been re-licensed.
BNOC will retain a 33.3 per cent interest in blocks 211/24c and 211/25b. Gulf Oil (Great Britain) and Gulf (UK) Oil share investments will jointly build a further 33.3 per cent and Conoco will take the remaining third.

THE LEX COLUMN
Industry lags in the share race

In a week when Hoover announced a loss and BSR went on to short time working—two manufacturing companies which in the past have usually been able to earn high returns—the equity market has kept its eyes firmly on the prospect of a Conservative victory in next Thursday's poll.
On Wednesday the FT 30-Share Index at last followed the All-Share Index into new all-time high ground, its closing peak of 552.7 beating by 3.5 points its previous record of September 1977. But with sterling looking a little nervous, and with the latest opinion polls showing a less handsome Tory lead, the market has been unable to hold the highest levels.



prospect. On the other hand the traditional quarry products side and the housing division are doing well, contributing 17 per cent of the group's 1978 industrial profits from only 38 per cent of sales.
Tarmac has been through a long and distressing "boardroom upheaval" following a series of disastrous overseas ventures, and the new management is likely to proceed very cautiously, leaving the overall shape of the group, unsatisfactory though it may be, little changed for the time being.
Investment will be concentrated in the quarry and housing side while the rest of the group may be left to look after itself in construction particularly. Tarmac will be happy to sacrifice volume rather than keep on taking low-margin business. Retrenchment, then, is the name of the game: this year, if it can get ride of losses in France, the group should make about £28m, which puts the shares on a fully-taxed p/e of 3.2, while the yield of 8.3 per cent is well above the sector average.

Tricentrol
Few companies would choose to risk a £16.8m rights issue over the general election period but Tricentrol sees itself as a buccaneering oil company that is willing to go where others fear to tread. Its shares have had a fantastic run since the start of the year having risen twice as fast as the market and outperformed even the oil sector.
So now seems as good a time as any to tap shareholders for funds. At last night's price of 230p the shares are being issued

Lourho/SUITS
Shareholders of SUITS, being offered shares and cash worth 194p a share by Lourho, should wait for the outcome of the current manoeuvres over the 9 per cent stake held by the Fraser family trusts. The acquisition of this stake will be the key stepping stone to victory for Lourho, which already holds around 30 per cent of SUITS. The trusts have provisionally accepted the Lourho offer, but on Monday the defending SUITS directors will be seeking Takeover Panel permission for an offer of 200p to be put to the Fraser trustees. It will be financed by a consortium of institutions—insurance companies, pension funds and investment trusts—plus Tabet, SUITS' merchant bank adviser.
Clearly these institutions have been persuaded that the Fraser trusts are not using their full bargaining power, and that Lourho can be forced to raise its terms for the second time. They are evidently prepared to take a calculated risk that Lourho might withdraw, or perhaps they are not convinced by Lourho's assertion, repeated in another circular last night, "If there are insufficient acceptances and our offer lapses, the price of your shares could fall substantially."

Weather

UK TODAY
MOST central and southern parts of England and Wales will start cloudy with rain in places, becoming drier and brighter later with some sunshine.
London, S.E. Cent. S. England, Eastern England. Rain at first. Bright later.
Cent. N. England, Wales, W. Midlands, S.W. England. Occasional rain or showers. Sunny intervals.
N.W. England, Isle of Man, S.W. Scotland, N.E. Scotland. Ulster. Scattered showers. Bright or sunny intervals.
Outlook: Showers or longer periods of rain, but some bright intervals. Rather cold.

WORLDWIDE weather table with columns: City, Day, Night, Day, Night. Rows include Algiers, Ankara, Athens, etc.

Are you a Private Company Director?
With expert advice, Private Company Directors can benefit more from their companies' profits. These profits normally suffer tax at a high rate. Through leading City institutions, Bryan Walls & Partners can make it possible to have underwritten a scheme through which, if you are a Controlling or Executive Director, your company's profits can be re-arranged for your own benefit.
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